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HISTORY since the war has given us many convincing proofs that international problems cannot be solved by force. Yet despite the rich and instructive experience of the past, the United States and Great Britain decided on an armed intervention in the Middle East. But it was shown only a few hours after the intervention that relations in the world had changed so much that military power could no longer play the same role as few decades ago. It became evident that resort to force cannot produce any lasting results.

The landing of American marines in the Lebanon and of British parachute troops in Jordan increased international tension and seriously endanger world peace. And all this despite the fact that a world conflict would not be of any use to anyone.

The Anglo-American armed intervention was a move without any chance of success. It was doomed to failure because it ignored the essential characteristics of the present-day world, and it therefore could not bring any benefit to its initiators.

The chief reason which led to this futile and mongerous move was the nar-

row-minded attitude of Western interests in the Middle East and the endeavour to fill „the empty space“. The danger of new crisis similar to the present one will exist as long as the Western Powers do not accept the fact that the Middle East is not a „vacuum“, and that the people living in that area have the right choose independently their way of life, to determine the road of their development.

The interests of the individual Western Powers in the Middle East, particularly in the oilfields, cannot be disputed. But it would be unrealistic to think that these interests can be preserved and protected in the old way, by methods which have long become obsolete. To go on opposing inescapable historical phenomena such as the Arab striving for emancipation, would be equal to the task of Sisyphus. Such a policy, in the final resort, would bring no benefit to the Western Powers.

When speaking about the legitimate economic interests of the individual Western Powers in the Middle East, it should be pointed out that the Arab countries which have won their independence have done nothing which could be said to amount to an abrogation of eco-

nomic ties with the Western Powers, with their companies and business firms. On the contrary, the Arab countries have always stressed their wish to expand economic cooperation with the West, — on a democratic basis, of course. This attitude of the Arab countries is not a specific trait of the Arabs, as some people would have us believe, but a reflection of the general forward movement in the world today. And, after all, such an attitude is sanctioned by the United Nations Charter.

In the West many hold the view that there is a danger that the Middle East may fall under the influence of the opposing bloc. It is said that, owing to this danger, it is necessary to go on creating military, strategic and political organisations such as the Baghdad Pact and the mechanism of the Eisenhower doctrine. This view, however, disregards the fact that the aim of the Arab movement is the complete independence of the Arab world, its general emancipation and comprehensive development. The unification of the Arab countries on the basis of independence and emancipation does not in any way mean the increase of bloc disagreements. In fact, this unification can

only help to blunt the sharpness of the blocs, since it creates in the Middle East a great non-committed region of peace and comprehensive cooperation.

Developments have again confirmed that the causes of tension in the Middle East do not lie in the Arab movement, but outside it. The Arab movement, and developments within it, do not cause any instability in the region. On the contrary, the inevitable and logical internal development of the Arab countries consolidates the real basis of stability and progress in the Middle East. What disturbs natural development and introduces instability in the Middle East interference from abroad in various forms. All the disorders in the Middle East so far — disorders which have been alarming the world and threatening world peace — have been the result of the direct interference of individual Western Powers in the internal affairs of the Arab peoples. This was the case with the Suez crisis in 1956, i.e., the tripartite aggression against Egypt, as well as with the recent Anglo-American armed intervention. It is interesting that the United States, which in 1956 opposed interference in the domestic affairs of the Arab world, was this time the initiator of such interference.

The internal political crisis in the Lebanon did not endanger peace in that part of the world; nobody can prove this. This crisis was about to be solved. The General Secretary of UNO, Dag Hammarskjöld, and the United Nations observers established in the area concerned that the tension and armed conflicts in the Lebanon were caused by internal disputes, that it was only Lebanese forces which were fighting to resolve their own problems. Unrest and anxiety were introduced in that country by the desire of the ruling circles to ask the United States for direct political and military intervention, a desire which had been noticeable for a long time. Yugoslavia immediately pointed out the danger of any such intervention in the Lebanon, and continued to do so, emphasizing that such intervention could have grave consequences.

The United States decided on armed intervention at a time when the internal Lebanese crisis had already passed beyond its acute phase, when the monarchy and the Nuri Said regime were overthrown and a Republic proclaimed in Iraq. The parallel British armed intervention in Jordan, as well as a declaration of support to King Hussein, who proclaimed himself the chief of the abolished Arab Union, clearly showed that the change of regime in Iraq had been considered when the armed intervention in the Middle East was being planned. No one can say whether the Anglo-American intervention in the Lebanon and Jordan was to be the introduction to intervention in Iraq, the first step towards restoring the old order and regime in that country. But it can-

not be disputed that at one moment this intervention threatened to expand into aggression against Iraq. And any such expansion of the intervention would have brought the threat of a general conflict.

The reaction of the world public to the Anglo-American intervention was encouraging; it showed that a large part of the world, regardless of the political, economic, ideological, bloc and other differences which divide it, was united in the defence of peace. The reaction of the peace-loving world public was not restricted to expressions of action to stop the intervention from spreading any further. It is noteworthy that this action was supported, in one form or another, also by states which, as members of the Atlantic Pact, are the United States' closest allies. This showed that the awareness of the necessity to defend world peace surpassed the limits of the blocs, and that, in time of serious dangers, the general interest outweighs that of the blocs. This is another proof that the scope of the peace-loving forces is very wide indeed.

An important factor which acted against the expansion of the foreign armed intervention in the Middle East was the Republic of Iraq and its attitude. The stability of the regime and the realistic, rational steps of the new Republic did not provide the advocates of intervention with any formal pretext for interference in its personal affairs.

The direct danger of the expansion of intervention into aggression against Iraq is now over. But this does not mean that the danger has been eliminated completely. And as long as this danger exists, no one will be able to talk about security in the Middle East, or in the world for that matter. The most important and urgent task at this moment, therefore, is to give firm guarantees to the Republic of Iraq that its territorial integrity and independence will be respected. This matter, as an urgent task, should be taken up by both the proposed meeting of the chiefs of government and by the suggested special meeting of the United Nations General Assembly. The World Organization, with its authority and wide possibilities of action, should do all it can in this matter. The United Nations however, should not be satisfied with a mere declaration of guarantees. It should sharply condemn, and oppose most resolutely, all the forces which, in one form or another, encourage interference in the domestic affairs of Iraq.

In considering the whole problem, certain threats levelled against the United Arab Republic should not be disregarded. (The announcement of the President of the United States that any attack on U.S. marines in the Lebanon will be considered as work of „agents of the United Arab Republic“, unauthorized flights of American aircraft over the territory of the Republic, etc.). Everything that may

lead to undesirable developments must be stopped in time.

Naturally, affairs in the Middle East cannot be stabilized or improved without the withdrawal of American and British troops. The most important and urgent task is to stop the intervention from spreading any further, of course, but this in itself is not enough to ease the situation. This must be considered as the initial step in removing the presence of the physical source of foreign intervention in the internal affairs of the Arab peoples. What is necessary is to find a realistic solution to the problem of the American marines in the Lebanon and of the British troops in Jordan. In this, people who really feel responsible for world peace should act so as to get to the essence of the problem, and not to score any propaganda victories or to save face.

A discussion of the acute problems of the Middle East must, finally, reveal the real causes of tension in that region. The idea of foreign domination and spheres of interest cannot provide any basis for the problems which are encountered in that area of the world. Any attempt to treat the Middle East in the old way and by old methods cannot but fail and cause new complications. The Great Powers, undoubtedly, must play a great role and shoulder a great responsibility in the solving of Middle East problems. But the Great Powers must recognize that the Middle East is not a „vacuum area“, that relations in that region should be regulated by the peoples who live there.

What is encouraging in the present, otherwise dangerous situation is the growing tendency for talks and negotiation, for the peaceful elimination of the consequences of the crisis. This positive tendency is expressed through a series of concrete proposals, suggestions, and by state and diplomatic steps. Yugoslavia has proposed a special meeting of the United Nations General Assembly. The attitude of Sweden in the Security Council has tended to lessen tension. Japan has tabled a compromise resolution. Individual governments have been in consultation. President Tito has sent personal messages concerning the crisis to the Prime Ministers of India, Burma, Greece and Sweden — Nehru, U Nu, Karamanlis and Erlander, to the President of Indonesia, Sukarno, and to the Emperor of Ethiopia, Haile Selassie. Following their replies, consultations with these friendly countries are now going forward. The United Nations Secretary General, Dag Hammarskjöld, has been very active. The Soviet Premier, Khrushchov, has taken the initiative in a useful way by his constructive proposal for a meeting of the heads of government of the United States, the Soviet Union, Great Britain, France and India, to be attended also by the United Nations Secretary General. Mr Macmillan has suggested that a top level meeting should be held within the Security Council. The Soviet Union

has Accepted the suggestion, proposing that the meeting should also be attended by the Prime Minister of India and by representatives of the Arab countries. The United States and Great Britain, repeating the suggestion for a meeting in the Security Council, have proposed the place, date, composition and procedure of such a meeting, while France has stated that she is more inclined to accept Premier Khrushchov's original proposal for a top level meeting.

This summary of political and diplomatic activity shows that a new course is being taken in international relations which could lead to good results.

Naturally, the correspondence of some countries about the proposed meeting of the heads of government may be judged from different points of view. Some commentators — in the West and in the East — base their analyses on clearly displayed differences. Their attention is drawn attracted by the different proposals and suggestions concerning the composition, place, date and procedure of the meeting. In their insistence on these differences the commentators come to the conclusion that the diverging views and attitudes cannot be harmonized.

In our opinion, the attitude of individual countries in this correspondence must

be considered and judged by their real views, by their approach to the essence of the problem. Thus more favourable conclusion can be reached. Differences on the formal character and procedure of the meeting exist, and they are not insignificant. But the fact remains that all the participants in this correspondence have expressed their readiness to talk. And that is the most important thing at this moment.

Now much will depend on whether the responsible leaders will know how to take advantage of what has already been accomplished. The danger is that one may not be able to see the forest for the trees, and it is, therefore, necessary to sound a warning that too great a preoccupation with the formal, i.e., procedural forms of the meeting, may turn the correspondence in a wrong direction.

At this moment, essential and subsidiary matters must be clearly distinguished.

If results are to be achieved, everyone must bear in mind the essence of the matter, the fact that all concerned have formally agreed to negotiate. The most important task must be kept in the forefront. No formal, procedural matters should be allowed to undermine the chances of the present efforts.

in the world, the participation of Middle Eastern petroleum in the over-all world production has risen from the 7.5% to 20.1%. Even though, at 352 million tons annually, U.S.A. heads the list of petroleum producers, its participation, which equalled two-thirds of the world petroleum output as recently as 1950, has dropped to 40%. And although this rapid rate of increase of petroleum output in the Middle East has been stopped, due to damage to the pipelines of the Iraq Petroleum Company during the Suez conflict, it is very probable that petroleum exploitation there will grow rapidly in the future considering the exceptionally advantageous conditions for such a development.

It is difficult to establish the amount of profit of petroleum companies since such data are rarely published, and the figures published do not correspond to the true condition. But even the indirect indices provide eloquent testimony in that respect. U. S. petroleum investments abroad make up 30% and bring in over 50% of profit, in relation to all foreign investments. Particularly high profits are realized by petroleum companies operating in the Middle East, because exploitation there is carried on under very favourable conditions. Besides the low wages, the petroleum deposits are abundant and the oil-wells thickly spaced and slow to exhaust. While the total number of explored and exploited borings to date is only 1,500 in the Middle East, the corresponding figure is a thousand times higher in U. S. A. Average daily production per oil-well in the Middle East reached 3,448 barrels (one barrel equals 159 litres) in 1957. In no other area of the world is more than 300 barrels obtained per oil-well. The average in U.S.A. is about 13 barrels, while world average does not exceed 28 barrels. This in fact forms the basis of the low production costs. The last are seven times lower in the Middle East than in U. S. A. and about four times lower than in South America. Considering that, thanks to the great demand and the coordinated appearance of petroleum companies on the market, petroleum prices are uniform and appreciably steadier than the prices of other raw materials, it becomes quite obvious what extra profits the petroleum companies must be making.

However, it is not a question of financial yield alone. The interests of the petroleum companies around West's bloc policy are equated with the problem of safeguarding Western Europe's petroleum supply.

PETROLEUM RESERVES AND THEIR DISTRIBUTION BY COUNTRIES

IN PETROLEUM resources, the Middle East is the richest area in the world. Its oil wealth last year was estimated at 169.8 billion barrels, or nearly two-thirds of the world reserves.

THE GREAT POWERS AND MIDDLE-EASTERN OIL

Vesna BUTJER

A NEW crisis is rocking the Middle East. The landing of American and British troops in Lebanon and Jordan right after the revolutionary putsch in Iraq represents at attempt to counter by force the mighty growth of national forces in order to maintain or at least partly save the positions of the Western powers in that area. Petroleum, no doubt, is the most important component of the economic, and not merely economic, interests of the great powers in the Middle East.

Since the time when the first oil-strikes were made on the eve of this century, the Middle East has become not only an object of interest of large petroleum companies, but a platform of cruel veiled struggles and a hotbed of open armed conflicts. Even during the negotiations about the partition of the Ottoman Empire, after the First World War, in the struggle for spheres of interest and domination on that area, the great powers evidenced an interest for the oil-wells. After the Second World War the interests of U. S. petroleum companies have played a conspicuous role in connection with the creation of the state of Israel. For several years now, in the south-eastern part

of the Arabian Peninsula, on the shores of the Persian Gulf, armed fighting takes place from time to time at the back of which lies the interest of British and American capital for acquiring fresh concessions and for domination over the oil-wells which have been discovered there. The conflict about the Buraimi oasis, the disorders in Muscat and Oman, the recent ferment in the states of the Aden Protectorate, are closely connected with petroleum combinations. Many political strokes only serve to make the interests of petroleum companies. When nationalization of the Suez Canal was carried out petroleum, that so important raw material which today meets a quarter of the world's power needs, no doubt again played not a little role at the back of the brutal attack against Egypt.

MIDDLE EAST'S PETROLEUM WEALTH

PRODUCTION of crude petroleum in the Middle East shows a constant rise. It amounted to 26.55 million tons in 1945, and by 1957 it had grown to 176.8 million tons, or nearly seven times more. Since the rate of output increase there is far higher than elsewhere

In addition, fresh oil fields are developed daily, and large tracts only have to be explored yet. Some experts consider that the probable reserves are twice as large as those ascertained.

Not all countries of that area are equally rich in petroleum. In some, like Jordan and the United Arab Republic's northern province, Syria, the explorations to date have not yielded positive results. In Turkey, Israel and Lebanon the oil-fields are limited. The Province of Egypt of the United Arab Republic is headed for satisfying domestic needs from own production. The largest reserves occur in Kuwait, a little state in the southern part of the Arabian Peninsula including 6,000 square kilometres and 200,000 inhabitants. At 23% of the over-all world petroleum reserves, Kuwait at the same time constitutes the richest country in the world. Saudi Arabia, with 17% of the world reserves, comes immediately after Kuwait and before U. S. A. Third place in the Middle East, and fourth in the world, is held by Iran, followed by Iraq. These last four countries simultaneously represent the largest producers of petroleum. Their output accounts for over 90% of the total in the Middle East; in 1957 Kuwait produced 57.3 million tons, Saudi Arabia 49 million tons, Iran 35.5 million tons, and Iraq 21 million tons of oil. None the less, the attitude and policy toward the individual countries is not determined by the number of oil-wells only. The routes by which petroleum is transported also serve to knit the Middle East into one whole.

PIPELINES

A NUMBER of major pipelines have been built in the Middle East which serve to convey petroleum to the shores of the Mediterranean Sea. The first pipeline, erected in 1934, connects the oil-fields of Kirkuk, in Iraq, to the town of Hadit, bifurcating from there. One of these arms runs, via Jordan, to Haifa, in Israel, and the other, via Syria, to the port of Tripoli, in Lebanon. Thus these countries, too, have become a factor in petroleum policy. After the Second World War another pipeline was built which was to have run parallel with the first; but, on account of Israel's conflict with Arab countries, only that section was completed which runs through Syria and Lebanon. The third large pipeline was built for a length of over 1,000 miles across the Arabian Peninsula. After the creation of the United Arab Republic, which controls over 75% of the petroleum transport, several projects were considered for constructing a pipeline through Turkey to make Iraqi petroleum less dependent on the United Arab Republic. With the changes occurring in Iraq, that plan is likely to lose significance.

The importance of Middle Eastern oil also occurs in that it is exported for the largest part. The producer countries, in-

sufficiently developed industrially, consume but an insignificant portion of the output for their own needs, so the Middle East area, beside Venezuela, is the principal petroleum exported, too, on the world market. U. S. A. satisfies its needs from domestic oil-wells and Venezuela. However, Western Europe, to which about 60% of the total petroleum output of the Middle East, is exported, relies for over 90% of the petroleum needs on that area. Hence the tenacious efforts of the West to include the countries of the Middle East into their bloc arrangements.

RIVALRY OF PETROLEUM COMPANIES

HOWEVER, while, on one hand, petroleum is an element of unified action, it also appears as the fundamental motive of rivalry between the Western powers in that area. Today the struggle between petroleum companies is mainly between British and American capital. Eight companies control petroleum production in the Middle East: five American, two British, and one French. At the beginning, British capital had dominated, but American investments were considerably increased with time, reaching today 1,290 million dollars of the total 2,750 million dollars, i. e. accounting for nearly 47% of all petroleum investments. Whereas, in the days before the Second World War, U. S. A. had shared only 14% of the petroleum profits, its share in 1952 ran to 59%. And this is likely to have further increased in the interval. At the same time the British share fell from the 79% to 32%. Between the two World Wars the British maintained their system of mandates and reactionary ruling houses and feudal lords by armed might, managing to ensure for themselves the most advantageous positions in petroleum exploitation.

In Iran, where petroleum had been struck first, exploitation was in the hands of British capital. The British Government held over 50% of the British Petroleum Company's stock. However, profiting by the weaknesses of Britain, which was unable to settle the dispute about the nationalization of Iranian petroleum single-handed, U. S. A. assisted Great Britain, at the price of a 40% capital share in the newly-formed Iranian Petroleum Company, in the struggle against Mosaddegh. Petroleum production in Saudi Arabia, which, at 49 million tons, is the second-largest oil producer in the Middle East, is completely controlled by American capital, through ARAMCO. The oil wells of Kuwait, which is the leading oil producer in the area with 57.3 million tons, are exploited by the Kuwait Oil Company, established, after prolonged negotiations, with an equal capital share of the U. S. Gulf Oil Company and the British Petroleum Company. Beside the 5% held by Gulbenkian, the capital of the Iraq Petroleum Company is equally di-

vided — 23.75% each — between American, British and French companies and Royal Dutch Shell (60% Dutch and the balance British capital). American capital is in control in the British protectorate of Bahrain. In Katar petroleum exploitation is carried on by a subsidiary of the former Anglo-Iranian Petroleum Company. It also has an interest in a company which is doing exploration work in the Trushel Oman region. Lastly, in Muscat and Oman, as well as in the area of the Neutral Zone between Saudi Arabia and Kuwait, the oil concessions are in the hands of American companies.

NATIONAL ASPIRATIONS OF THE AREA'S PEOPLES

VIEWED, until recently, exclusively as an object of exploitation of the great powers, the Middle East is increasingly becoming the scene of national movements for liberation from foreign influence and achievement of independence. A series of earlier events, the ferment in Lebanon, as well as the revolutionary putsch in Iraq, are expressive of the same process which, in one form or another, and with varying success, is unfolding in the countries of the Middle East. The place of outlived reactionary feudal regimes, maintained with the aid of foreign powers, is being taken by forces aspiring toward establishment of independence. In accordance with this, the aspiration of the peoples of the Middle East themselves to utilize their resources is perfectly legitimate. The Suez experience shows the feasibility of economic cooperation between the Western powers and the countries of the Middle East, except under arrangements which are an expression of force and coercion. The several agreements on oil exploitation which have been concluded during the past year constitute a precedent, if a limited one, in transcending the traditional system of division of profits according to the key: 50% to the government which granted the concession, 50% to the petroleum company. Those new arrangements may also partly be considered as the outcome of the intensified competition between petroleum companies. However, whether the peoples of the Middle East will be able to benefit by the fruits of their natural riches in a larger measure and to freely dispose of them does not depend on the interested powers and companies alone, but on those peoples themselves. It is a historically perfectly logical phenomenon that the forces opposing the bloc conceptions and aspiring themselves to direct their economic development, by seeing in a strong economy, the condition for national independence, are becoming stronger and stronger, forcing the great powers to make concessions in the economic domain also. In the final analysis, the attempts of the great powers to halt this process by artificial means cannot lead to the desired goal.

The Youngest Republic — Iraq

M. MILENKOVIĆ

THERE where the material and political privileges of the fossil feudal remains and the object servitude of the backward social structure to foreign interests was embodied in the monarchy as in the case of Iraq, — the overthrow of the ruling regime is not only a legal change of the form of government. Although it would be invested with an undeniable significance also from the formal point of view, the creation of a republic in Iraq actually means far more than the mere transition from an obsolete to a more progressive government system. It marks a historical turning point, the switch from one political course to another; it is a vital change with regard to the social basis of government authority, a transformation of an incomparably broader significance than the numerous coups and plots of courtiers which were frequently called by personal antagonisms on the instable Middle Eastern soil.

In only a few hours time the character and form of government was radically changed in a country which constitutes, apart from the United Arab Republic, — the most important factor in the Middle East. For many decades already no means were chosen to consolidate the regime which was obliterated in one morning by a perfectly organized action and popular wrath. Therefore a wave of astonishment swept over the world on the morning of July 14 when the sensational news from Bagdad was broadcast. In point of fact there was no reason for surprise. The logical fate of a semi colonial police regime faced by the rapid political and national awakening of the Arab masses, realistically speaking, precluded any other outcome. It was only the moment, the correct choice of the time to strike that was in question. And it is here that the organizers of the Iraqi July 14 should be congratulated. The fact that Iraq has such forces was a surprise only to those who having buried their head deep in the (oiblearing) sand of their interests remain blind to the obvious guiding lights of national independence, economic progress and political freedoms. However that part of the world public opinion which contemplated the mass demonstrations, strikes, boycott of the non-democratic elections and other actions of the broad strata of the Iraqi population as a deep and wide rift between the popular will and official ruling policy was not obliged to ask where the sources of vitality and success of July 14 lay.

It is in the cradle of one of the oldest civilisations that the youngest republic was born. A period which does not represent a large section of Mesopotamian history but which by its tragic anachronism is extremely characteristic and instructive has come to an end. The Hashemite dynasty was installed with the advent of British domination in a region of paramount strategic and economic significance. Too weak to emancipate itself from this domination it was fated to drown under the tidal wave of national awakening and emancipation of the until recently ignored political subjects.

The internal, socio-economic, political and interernational position of Iraq at the time of the proclamation of the Republic reveal all the tragedy of the inheritance foisted upon it.

Although disposing with one tenth of total world petroleum reserves, and one of the leading producers of oil (with an average 30—35 million tons annually) Iraq was a poor country with a poor people. It is also true that Iraq is the foremost date producer in the world, a major exporter of barley, and to a certain extent also wheat, rice and cotton, that the home crafts are highly developed and that the potential mineral resources although still insufficiently explored are substantial. Nonetheless, the developed petroleum industry is the principal branch of the economy in addition to an obsolete agriculture. In the petroleum industry however, there is only one boss the Iraq Petroleum Company which was so only in name. In fact the Company is a concern of British, US, French and Dutch magnates. The division of net profits on a 50 : 50 basis between the company and the Iraqi government yielded substantial resources to the state treasury. The distribution of these funds was everything but rational as illustrated by the following example. The so-called Economic Development Board received about 70 percent of the government income from petroleum. However only 3 percent of this amount was earmarked for the development of agriculture on which four fifths of the population depend for a livelihood and which is maintained at approximately the same level as during the Babylonian Empire. About 90 percent of farmlands belongs to the big landowners while only about 20 percent of the total arable surfaces are cultivated. In the meantime imports of motorcars, luxury fabrics, the most up to date building fixtures, air

conditioning equipment and similar goods increased severalfold during the past few years thus resulting in a substantial rise of the balance of trade deficit. At the beginning of 1957 the Iraqi Petroleum Company opened an interest free loan of 25 million pound sterling at the request of the Iraqi government. This loan will be rapid through the future petroleum taxes which the company is due to pay to Iraq. As a state within the state the company became stronger than the state.

A country where 90 percent of the population is illiterate, where infant mortality rates are unusually high was not beset only by socio-economic difficulties Feisal's and Nuri Said's monarchy was a typical political-corruptionist bureaucracy of a backward semi-feudal type. The parliamentary system an extremely transparent veil to the royalist distatorship of the pro-British clique. Whenever it suited the ruling group parliament was dissolved as in 1954 for instance. The candidates nominated at the elections were automatically considered elected, because in most cases the previous candidates could not run for election. The opposition parties were banned, their leaders arrested in case they did not manage to emigrate. The pressure of the young workers class for the recognition of its elementary trade unionist freedoms was suppressed by military and police measures, the proclamation of a state of siege and similar measures.

The international position of the Kingdom of Iraq was no less unenviable. The only Arab member country of the Baghdad Pact, moreover one of its leading initiators, Feisal's monarchy became totally impotent for any kind of independent activity on the international scene. It assumed the inglorious role of the most active exponent of disunity in the Arab world. All the western schemes for the integration of the Middle East in the bloc system relied on Baghdad as their pivotal point. When the idea of Arab unity and the need to strengthen their independence led to the unification of Syria and Egypt, Iraq precipitately proclaimed its unification with Jordan in February this year. This new Arab monarchist federation was intended as a counterpoise to the growing non-aligned component in the Middle Eastern balance of power. Until its downfall on July 14 this year this Federation remained only an artificial arrangement inspired by foreign requirements.

Such an exceptionally difficult inheritance and aspirations of the people determined the list and sequence of tasks to which the young Republic must dedicate itself. These tasks naturally involve the intermingling and overlapping of economic and political measures, in view of

the fact that economic privileges constituted the basis and source of given internal political and international attitudes of the former regime.

The most urgent task of the new republican authority doubtless consisted in its internal consolidation. The liquidation of the police monarchist government apparatus and the prevention of any counter action of the ousted forces, which although deprived of their leadership are still dangerous because of their vengeance and foreign connections, — this is the task on which the cabinet of General Kerim el Kassem showed the same determination as on the fateful dawn of July 14. At the same time the broadest amnesty was granted to all political prisoners which the former regime arrested, sentenced or obliged to emigrate. Thus the distinguished Barabanis family, one of the most prominent fighters for Kurd autonomy was also among those amnestied. Apart from the army, to which the leaders of the revolution gave their authority and unity, broader armed units are being created, namely the so-called Units of the National Movement for the Defence of the Republic. They are primarily intended for the protection of sovereignty and integrity of the country from outside threats, but also constitute the armed mainstay of the new authority in the face of eventual counter-actions by the ousted forces within the country.

The fundamental principles of the new Constitution have also been formulated and include almost all the standard principles on equal individual and political rights and freedoms of citizens.

The government of the Iraqi Republic devoted particular attention to the danger of eventual internal acts of provocation which could provide certain foreign countries with a pretext for a more energetic interference in the internal affairs of the country or at least place the young Republic in an awkward position. In this sense the concern of the El Kassem government for the personal safety and property of foreign citizens is particularly noteworthy.

The internal consolidation of the new Republic also requires equal concern to be devoted to national defence. This problem however presupposes not only given military and similar measures, but also the creation of a mass psychosis in which the people and authority will be indented to an ever greater extent. For this reason the new government approached a series of popular, although not far reaching measures for the time being, in the field of taxes, prices, the property belonging to the functionaries of the former regime etc.

More thorough and long term measures will doubtless be necessary to assure the more complete economic transformation of Iraq which is also one of the most urgent tasks that confront the Republic. An independent state policy which

was proclaimed by the new government as one of its prime objectives cannot be imagined without the economic stabilisation of the country, the introduction of new principles of distribution and the creation of a national income. The government is understandably showing caution in this phase, while implementing extensive studies and preparing concrete programmes which have still to show how deep a social transformation is inherent in the republican coup of July 14, 1958.

The international affirmation of the Republic of Iraq has already been placed on sound foundations. The numerous expressions of international recognition which the Republic received during the first days of its existence are growing from day to day while its diplomatic ties are broadening steadily. Having envisaged their international activities on the principles of non-alignment and cooperation with all countries which wish to do

so on the basis of non-interference and equal rights, the new Iraqi government emerged from the circle of the so-called Baghdad Pact which really became only the so-called Baghdad Pact. In its message to New Delhi the Baghdad Government declared itself in favour of the principles of the Bandung Conference and intimated its withdrawal from the Baghdad Pact. Moreover, the demand of Turkey, Persia and Pakistan that the Anglo-American intervention extended also to Iraq, and the conclusion of a mutual defence agreement between Iraq and the United Arab Republic clearly indicate the line of foreign policy adopted by the Iraqi Republic.

The intricate inter-action of internal socio-economic, international bloc inspired and anti-colonialist contradictions has given birth to a new independent Republic which has no smoothly paved road before it. However the basic course has already been charted by clear and quite correct markings.

Policy of Active Coexistence

THE BRIONI TALKS

In a world torn by antagonism and discord in which every now and then tension almost reaches breaking point, the policy of peaceful coexistence provides a solid encouragement and genuine hope for all peaceloving peoples throughout the world. Therefore the exceptional interest with which the world public opinion followed the recent talks between President Nasser of the United Arab Republic and President Tito of Yugoslavia as well as the tripartite talks of the foreign ministers of the United Arab Republic, Greece and Yugoslavia is only natural.

The periodical meetings of Presidents Tito and Nasser have become a fruitful and constructive political tradition which occupies a prominent place in the annals of the struggle for coexistence and for peace. Yugoslavia has long since become the synonym of a country which is striving persistently for co-equal relations between peoples and the preservation of world peace as the fundamental condition for the general prosperity of the international community. By pursuing such a policy Yugoslavia always strove consistently in all situation for the reduction of international tension and the settlement of controversial issues in a peaceful manner and by democratic means. Her political activity was never of a declarative character, but always borne out by deeds and arguments substantiated by honest and unselfish endeavours aiming at those solutions which foster the indivisibility of peace and the promotion of interna-

tional cooperation. Precisely for this reason Yugoslavia acquired the prestige of a non-aligned country whose voice is esteemed and respected throughout the world. Among her friends and devotees to the same ideals and aims of active international cooperation one of the most important places belongs to the United Arab Republic and President Nasser.

The political rebirth of Egypt which took place six years ago has made that ancient country on the banks of the Nile a symbol of the struggle of the Middle Eastern peoples for national emancipation and one of the most active protagonists of the Bandung ideas of active and peaceful coexistence. Such a positive international orientation of the United Arab Republic — in a region where the contradictions of the contemporary world are intensified to the maximum degree — acts as a stabilising factor and affirms the right of every people to a free and independent development, being thus integrated in the efforts of the peaceloving countries whose common denominator consists in the tendency to assure a better and more certain future to mankind. With many points in common in its prolonged struggle for national independence and parallel endeavours and activities in foreign policy, Yugoslavia and the United Arab Republic have built a broad bases for cooperation in mutual relations and collaboration on the vast range of questions on which world peace is contingent.

The talks of President Tito and President Nasser at Brioni which came as a sequel to the views and conclusions stated in the Declarations of July 1956 have reconfirmed the kindred views on all the crucial international issues. It may therefore rightly be said that not a single important problem of the present international situation was overlooked at the Brioni talks and that all aspects of the efforts to reduce tension which was renewed in international relations were examined in detail. Basing their views on the principle that the armaments race as a reflection of big power rivalry together with the tendency to interfere in the internal affairs of other countries led to a renewal of tension in various parts of the world, the two presidents noted that it is necessary to take all the appropriate measures to end the cold war, do away with the division of the world into two antagonistic blocs and put an end to the use of force and threats in international relations. Declaring themselves in favour of the urgent cessation of the production of nuclear and thermonuclear weapons and the immediate banning of nuclear explosions, they appealed specially for the organization of a summit conference which could contribute to the strengthening of confidence between the big powers and the general reduction of tension in international relations. Careful attention was devoted during this exchange of views to the United Nations, the two presidents

having agreed that the respect and application of the principles of the U. N. Charter and the over-all promotion of United Nations activities is paramount for the elimination of the dangers to which world peace is subjected. The conclusions brought with regard to the further development of relations in all spheres of international cooperation are based on the conspicuous results accomplished during the past period and vouch for the further strengthening of the manifold ties between Yugoslavia and the United Arab Republic.

The parallel talks between the foreign ministers of the United Arab Republic, Greece and Yugoslavia form an integral part of this broad exchange of opinions at Brioni and are marked by the same accents of friendship and constructive policy. Greece which is maintaining cordial relations both with Yugoslavia and the United Arab Republic is developing fruitful cooperation with both countries in various fields. By adopting one of the essential principles of active coexistence, namely that in mutual cooperation every country should respect the specific international position of the other partner, the three ministers have found many points in common when reviewing the international situation and noted that cooperation between the three countries is exerting a stabilising influence in this part of the world. They declared themselves in favour of the further promotion of mu-

tual cooperation and expressed the wish for the continuance of tripartite contacts which were so happily established at Brioni.

The statement on the Tito-Nasser talks and the communique on the talks of the three ministers which are inspired by the spirit of friendly cooperation and active enlistment in the struggle for peace received an enormous publicity in the international press. The events in the Near East which brought mankind to the verge of a new global conflict have vividly proved that it is only possible to emerge from such perilous situations and the permanent crisis created by bloc power politics by means of such solutions which are inspired by a policy of active and peaceful coexistence whose principles were yet once again indorsed by the participants in the Brioni talks. Thus the two international documents whose pages bear the signatures of the eminent statesmen of the United Arab Republic, Greece and Yugoslavia showed their exceptional practical significance, vitality and historical justification immediately after publication. To the same degree also the initiatives of Yugoslavia, the endeavours of the United Arab Republic and the attitudes of Greece aiming at the abatement of the present tension in the Middle East marked a new constructive application of those principles which were recently fully reconfirmed at Brioni.

VIEWS AND OPINIONS

PROGRAMME OF THE GERMAN SOCIAL DEMOCRATIC PARTY

Helmut KALBITZER

Functionary in the German Social Democratic Party

The discussion of the programme of the German Social Democratic Party at the recent Congress in Stuttgart provoked the keen interest of the social democratic circles and the West German public. In this article, the distinguished member of the German Social Democratic Party, and Bundestag member Helmut Kalbitzer states his views on the fundamental principles formulated in the programme of the SPD.

„Every attempt at scientific criticism is welcome to me“

Karl Marx, Foreword to „Das Kapital“.

THE dominant feature of the German Social Democratic Party does not consist of a „Weltanschauung“ but a common conviction. Therefore it is more than an ordinary party of interested individuals (nor is it merely a party of industrial workers); on the other hand it is not a party of religious or pseudoreligious doctrines on God and the Universe disguised in scientific clothing.

The common idea of the German Social Democratic covers the relationship of people between themselves, the demand that man no longer be exploited by fellow man. This common idea has been explained in various ways. The words of Kurt Schumacher: „It is immaterial whether one is a Social Democratic because one believes in the Sermon of the Mount, the doctrines of Karl Marx or the ethics of socialism“, constitute the basis of tolerance within the party. Ethical and philosophical explanations are obviously gaining a wide currency at present, but no comprehensive scientific-philosophical system has been recognized so far. Marx' teachings are rarely being adopted as the only valid conception, and are seldom

applied integrally. In point of fact, Marx scientific system is considered to bear the mark of time in many of its points, and must therefore be constantly developed, similarly to the ideas of every other scientist.

In this connection there is something else to be said: In the Democratic Republic of East Germany Marxist is being converted into the servant of everyday policy. In the West German Federal Republic, on the other hand, the government and its sycophants are using the term of „Marxism“ for all that is anti-Christian, and anti-western and identify it with the „principle of evil“. This derogatory term has been borrowed from the Nazi vocabulary, and both connotations are equally remote from Karl Marx. But such a practice has led to the fact that Marxist terminology in the German political struggle can no longer be used without setting off a chain reaction of misunderstandings among the German readers or listeners. We are therefore striving to avoid all that would reek of party narrowness and rigidity. This must be borne in mind when reading all contemporary Social-Democratic publications. The Social Democrats are endeavouring to assess the Marxian doctrines by scientific methods and in the light of contemporary results. It ensues therefrom that present day sociology, as well as political economy and industrial philosophy largely rely on Marx' revelations and are continuing to elaborate them. I consider this the only method worthy of Karl Marx the scientist who did not preach any dogmas. The German Social Democratic Party is proud that Marx is its teacher and model; it also considers it an honour to learn from the other giants of mankind.

The German Social Democratic Party actually has a programme and a half at present: the Programme of Action drawn up in 1952 and the principled draft programme of 1958. During the restoration of the German Social Democratic Party after 1945 under the leadership of Kurt Schumacher, the old programme of the party dating from the twenties was no longer applicable, as it failed to give an answer to the crucial problems of the present, apart from the fact that the newly created social democracy attracted various groups from the former communists to the left-wing liberals. The reconstruction of the devastated country absorbed all the party forces to such a degree that there was no time for the drawing up of a programme until Schumacher's death in 1952. Until that time the words of Kurt Schumacher spoken on topical problems were generally valid. Soon after Schumacher's death the Congress of the Party in September 1952 drew up a Programme of Action with a preamble by Schumacher himself in which it is stated:

„The policy of German Democracy must not be the function of the western occupying powers...“

Social democracy considers its supreme task not to create a state which would imply the restoration of the former relations, but to build up a new Germany with a new political and social substance in which people will really take part in determining their own fates in all fields...

Twice in one generation the German worker was obliged to clear the mountains of rubble which the insensate policy of force left in its wake. Workers, technicians and scientists were obliged, by their exemplary achievements, to restore the repute of the German people which was all but lost owing to Nazi megalomania...

The German workers class refuses to consider the economic system in the Soviet Zone as socialisation. But it no less resolutely repudiates the return to private ownership and the restoration of the former relations...

The German Social Democratic Party considers its task to be the party of the German patriots and international socialists...

Social democracy will not allow the working people to atone for the sins committed by big business before 1933 and later on.

It is therefore of vital importance that the German people be imbued by a new national self-confidence, equally remote from the extravagant conceit of the past and the widespread tendency to consider every wish of the western allies as a revelation of European opinion. Only a nation which knows to affirm itself can be a valuable member of a larger community“.

DEMOCRACY AND THE STATE

THE Programme also deals with the problems of democracy and lays down the following:

„The ideas of human dignity, freedom and justice, religious and political tolerance and obligations of the individual towards the state community constitute the basis of every democratic constitution. The policy of social democracy provides the guarantee that freedom of thought, speech and political action will prevail in public life. Freedom to destroy freedom will not be granted however.“

It is impossible to understand our programme or policy without previously becoming cognizant of the social democratic concept of democracy. There is a great difference in principle between this idea and the same term as used by the communists. Any discussion as to how Marx and Engels conceived it would be pointless today. Already for one of the founders of the German Communist Party, Rosa Luxemburg, democracy meant the freedom of the political opponent to express his opinion. The significance of democracy is dealt with at length in the Draft principled programme:

„To assure human dignity space to live and expand, this is the supreme objective of every socialist policy.

Experience has shown that at the present time, every dictatorship, even if conceived as temporary at first, develops totalitarian tendencies. Therefore democratic socialism rejects all forms of dictatorship...

Democracy means the self-determination of free, mature and equal citizens in their state through a community of those who govern responsibly and those governed, the latter being invested with the right to call the former to account. The fact that the existing majority is at certain times by periodical elections authorised to govern the country politically, implies the assumption that the momentary minority remains free and retains equal prospect of becoming a majority. The fact that the majority may deliberate on political problems is based on the circumstance that the basic values guaranteed by the constitution are inviolable by the state and are thus not subject to voting...

Democracy is the only form of government which satisfies the free man of our times and preserves his dignity. Democracy must be complete and direct to the maximum possible degree. All attempts to „correct“ democracy (by amendments — „representative“ democracy for example) and limit self-determination, or to emancipate the state and its authority derives solely and exclusively from the powers vested in it by the people and is thus limited, must be rejected as contrary to freedom and incompatible with human dignity.

The so-called „representative democracy“ at present is in fact the contradiction of democracy, namely the domination of economically superior groups. All that has been accomplished so far in the domain of democracy has been won by the labour movement, in its long and arduous struggle. The workers movement and social democracy are indissolubly linked with the fate of democracy; because only the accomplishment of democracy opens prospects of a life based on freedom, equal rights and human dignity for all working people in a state that is a genuine community. Every attempt to govern in an authoritarian or dictatorial manner may be opposed by the irrefutable and unlimited right to resistance.“

The German Social Democratic Party is emphasising these views on democracy by the idea that democracy is the paramount political objective also for every other people whatever its social position, while not judging whether this demand, which is entirely understandable for the German as well as the entire West European labour movement, is at all practicable under different conditions.

Democracy is the ideological claim of the German Social Democratic party and thus shares the fate of most ideologies that it is considered a universal panacea.

SOCIALISM AND THE ECONOMY

DEMOCRACY and socialism are two indissoluble objectives of the German Social Democratic Party, as they are merging, intermingling and overlapping. Therefore by socialism we mean something entirely different than the communists. It is stated in the draft Principled Programme:

„The main points of the socialist economic policy are as follows:

— the sustained increase of the social product, the guarantee of full employment, and the rise of the standard of living ...

It is not possible to subject the entire economy to the law of free enterprise, nor is the general socialisation of all means of production a desirable scheme for the regulation of the present day economy ...

Private ownership of the means of production is entitled to protection and advancement provided it does not hamper the development of an equitable social system. This primarily applies to the private ownership of small and medium enterprises, irrespectively whether they are operating in accordance with of private — economical or social economical principles. In case private ownership should lead to the creation of the economic positions of power which threaten the freedom of all who do not dispose with similar power, and give rise to intolerable social injustice, its existence would no longer be justified. Transfer to social ownership is a legitimate form of public control which no state should renounce ... For freedom loving socialism social ownership represent an important instrument of economic policy, but should be applied only in limited domain of busines. Social ownership is no dogma, but a matter of expediency and necessity.

It is added also in the Programme of Action that due attention should be attributed to the national economic and social significance of the crafts. The programme also contains the following passage on the subject of farm policy:

„The Social Democratic Party recognizes the right to private ownership of the land to all people who by their own work and that of their family contribute a

decisive share to the labour input necessary to assure the full development of the respective holding. The struggle of social democracy is directed against the exploitative might of big landowners and not against the working ownership of the peasants“.

As may be inferred by the foregoing quotation, the German Social Democratic Party does not consider that socialisation, or as stated in the programme, the „transfer to social ownership“ is already socialism. In the nineteenth century when Marx and Engels demanded the „socialisation of the means of production“ ownership was automatically linked with the right to dispose with it. In the meantime we have seen both in the eastern and western countries that there may be absolute power of disposing with property without owing it ... The problem of transferring the right of free disposal of the means of production is by no means resolved by socialisation or confiscation by the state as we were formerly inclined to think. Therefore social democracy is especially interested in the ways and means of resolving the problem of participation of the actual workers in the management of the economy.

Obversely, the German Social Democratic Party, does not see any danger of exploitation in the mere private ownership of the means of production as long and until by its type and volume this ownership may be publicly controlled and does not wield an influence that may tend to manipulate democracy.

Both the West German Social Democratic Party and the entire western labour movement is attributing far greater significance to the problem of increasing productivity and full employment, because these problems have a direct bearing on the economic status of the working masses, to a greater extent than the problem of ownership.

The German Social Democratic Party does not share the optimism of the past century: namely that the socialisation of the means of production automatically eliminates exploitation, assures human civilisation, and the creation of a society in which peace and freedom are guaranteed.

FOREIGN POLICY

CONSEQUENTLY, far greater significance is being attributed at present to foreign policy in the Social Party than in the past, as already stressed in the introductory quotations of Kurt Schumacher. The formulations in the Draft Principled Programme mark the elaboration of the respective theses of the Programme of Action adjusted to the present situation. We are therefore citing from the Draft Programme:

„The suppression of the international right of the stronger, by compulsory international law applicable against all violators is an indispensable condition of every reasonable and farsighted policy. War was always the capitulation of humanism before brute force. Even if under certain historical conditions war was justified as a defence from attack inspired by the will to freedom and self-preservation, in our atomic time when it is impossible to calculate the risk of armed conflicts in advance, every war threatens to end with the destruction of everything that ought to have been defended by it ...

A world divided into spheres of domination and influence is threatened by a catastrophe owing to the general armaments race and the struggle of the atomic powers for military domination. A balance of fear can-

not lead to the peaceful solution of international controversial issue. The Social Democratic Party is therefore struggling for general disarmament under international control, for an equal restriction of armed power and the banning of atomic weapons. The exemption of certain regions from the strategic relations of the powers should also mark a step towards general disarmament. An international police force and the regional security systems within the framework of the United Nations should build up a community of states on a legal basis...

The maintenance of a divided Germany also threatens peace...

A reunited Germany with all its political and military rights and duties should become a member of an European system of security within the framework of the United Nations. The preservation of a divided Germany is a source of permanent conflict and tension in Europe. The reunification of Germany is in the interest both of the German and the general policy of peace...

Hunger, poverty, disease, and backwardness are the evils that beset countless millions in Asia, Africa, Latin America and certain parts of Europe. These terrible sufferings can largely be ascribed to imperialist rule and colonialist exploitation. Millions of people have been deprived of the superb achievements of science and technology, which should now be made accessible to them through unselfish economic, technical and cultural cooperation as an obligatory act of amends. The Social Democratic Party considers such close cooperation of all peoples and states as a logical sequel to contemporary development which has rendered the creation of a big family of all nations on our planet in which hunger and poverty will be eradicated once for all, both technically feasible and humanely necessary.

On the road to this goal, it is necessary to extend assistance to the insufficiently developed countries, peoples and states that formerly belonged to the one time colonial empires which are now on the decline...

Many peoples have sought to avoid alignment in one of the big power blocs as they do not wish to be involved in their struggle, but wish to dedicate all their forces to the building up of their country. It is necessary to extend unselfish assistance to them in this respect."

In this manner the German Social Democratic Party declares itself in favour of all initiatives for universal or regional disarmament especially in favour of the Ratzky plan and assistance to the under-developed countries. While renouncing to all polemic, the German Social Democratic Party hopes that it will find it possible to negotiate with the Soviet Union and the countries of the Eastern bloc.

CULTURAL POLICY

CULTURE and education occupies a prominent place in the Social Democratic Party. The 1956 Party Congress in Munich was almost exclusively dedicated to these problems. In this respect also we will cite the latest Draft Programme:

"Socialism always interpreted the significance of science for the development of mankind correctly. Practical work in this domain was begun in the associations for workers education inspired by the wish to create a genuine alliance between science and policy. Such an alliance is a precondition of progress, because scientific achievements exert an increasingly direct bearing on the economy and policy. Within a few decades, the new achievements in physics have changed the face of technology, and the physiognomy of our

time. The promotion of unselfish and free study in all domains, and an advocacy which will develop the sense of social values, should eliminate the dangers of a soul-less technocracy...

Natural science and the humanities are hampered by the lack of young scientific generations. The broadly conceived measures in this respect must free the students from the burden of work in factories. The expansion of the high schools, primarily technical has become imperative because the high schools have in many cases acquired the characteristics of mass production centres.

These measures are not sufficient to resolve the problem of young specialists however. All talents must be discovered, and equal chances of acquiring an education be open to all. To all who are capable irrespective of material or social status, the doors of educational institutions especially those providing advanced training must be wide open...

The educational and school system must be capable of preparing youth to overcome the difficulties of life, teach them to think for themselves, readily assume responsibility thus enabling all conformist tendencies to be checked. Young men and women must integrate themselves into a many faceted and complex society in which a profusion of diverse beliefs and values stand side by side. Therefore the youth of our country, — irrespective of religious confession, — must be educated together in schools and higher schools in the spirit of mutual respect, freedom, social consciousness of responsibility, and be inspired by the ideas of democracy and concord between peoples...

The ever increasing demands that are being made of schools and professions in our time, and the change in the process of maturing of young men and women, require that compulsory schooling before employment in some profession be extended to ten years...

Higher schools cannot live an isolated life, nor can they serve any political ideology. Scientific research and science must remain free...

The ever increasing reduction of worktime has broadened the possibilities of organizing one's life independently. Spare time is more than mere leisure at present. It brings about the necessary external conditions which will enable man to find himself again...

The right to spare time and freedom to spend it as one likes is inviolable. All attempts to organize spare time from above or outside are dangerous, as they only create fresh sources of dependence...

In a democratic society family life must also be freed of all authoritarian aspects, especially the equality of women must be legally and practically implemented.

Every „Weltanschauung“ and every religious community must be free to publicly profess and defend its ideas, and the demands they make on the state and society...

The German Social Democratic Party is not a predominantly atheist party today, and is doing everything in its power to assure the church an appropriate „Lebensraum“ in society. Contradictions only arise in those cases where the church is identified with political catholicism. The cultural programme and political attention devoted to intellectuals, especially universities, had led to a conspicuous reproachment between these strata and the German Social Democratic Party during the past few years.

THE LESSONS OF HISTORY

IN THE explication of the draft programme at the Party Congress in Stuttgart, the rapporteur of the Party leadership Willy Eichler stated in May 1958:

"In their struggle for a better social system the socialists were always confronted by two dangers: one lay in the desire to shorten the martyrdom of the exploited to the maximum possible extent therefore prompting them to act quickly and seize political power by all means, because industrial development and its corollary the spiritual transformation of man could be better accomplished under a socialist government. Under the influence of this attractive idea, however, it was always overlooked that in an undeveloped society and undeveloped economy, industrialization requires immense sacrifices which a large segment of the population does not understand and approve of at first, so that it must consequently be imposed upon the people by means of political pressure. The heavy pressure brought to bear requires not only a special ideology but also prevents the development of democratic consciousness which can only be fostered and promoted by the voluntary participation of one and all in such a process. Subsequent democratisation is all the more difficult, however, because compulsory industrialization requires a political and economic bureaucracy which finally concentrates all resources and the government of the state the economy and educational system in its hands while opposing and resisting all attempts at depriving it of this power by means of democratic control. Freedom and social justice, these fundamental postulates in a socialist society, have been destroyed in this attempt.

The other danger for the workers movement consisted in the fact those who rightly considered deviations from the road of democracy fatal, adjusted themselves to the prevailing circumstances and finally considered the improvement of the position of the workers in the existing system as the essence of the socialist struggle for liberation. Many socialists considered that they would succeed in rendering all men equal members of society also without a radical change of the economic and social relations thus not only losing of the socialist goal but also narrowing their own scope of action, because many contemplated socialism as a movement exclusively concerned with the social and legal problems of the workers..."

SOCIAL DEMOCRATIC IDEOLOGY

THE Social Democratic Party programmes of the past largely bore the imprint of Marxist ideology. The membership inevitably considered the fact that the post war Programme of Action for the most part avoided ideological explications as a shortcoming. The party leadership was therefore required to submit a principled programme and thus comply with this wish. The draft programme cited here is in fact a result of these efforts. In certain points it is a modernised and new version of the Programme of Action. The ideological formulations proposed are not necessarily homogenous. Eventual vagueness and repetitions will be corrected in the final text.

It is a more difficult question whether the Programmes of Action and Principles should remain side by side in the future as some foresee. Such a double track is dangerous, as it may lead to the practice of keeping the principles for political holidays, while submitting to opportunist tendencies in every day routine. If principles are to be applied in routine policy then it will be necessary to buttress the everyday programme by principled reasoning.

The greatest rub lies in the fact that the ideology is not of a piece and that some comrades, whether by tradition or theoretical differences, may reject certain parts of the principles. But this is the principle of modern science in general, that it does not have a single and universal explication for all the phenomena of life. In natural sciences also the possibility of a single, all-embracing explanation has been lost, and we do not know whether Heisenbergs' attempt to find a general formulæ of the universe will be successful. Nonetheless the scientific ideal of a universal solution remains.

It is more in keeping with the scientific efforts of the Social Democratic party to tolerate a non-homogenous ideology than formulate an allegedly uniform conception which would distort the facts. The German Social Democratic Party as a mass party which is assuming the right to the scientific formulation of socialism reflects all the diversity of contemporary society in its programme.

The Role of the Community in the Dutch Economy

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1. INTRODUCTORY

IN THIS essay an attempt will be made to describe the role played by community agencies in economic and social matters in the Netherlands. The term community agencies has been chosen to cover, on the one hand, public authorities of various „levels“ — the central government, provinces and municipalities — and on the other hand, various other types of groups relevant to economic and social life. Most of the latter have come into existence as a reaction against the free-enterprise system prevailing in the middle of the nineteenth century. It will be seen from our survey that as a consequence the social structure of the Dutch eco-

nomy has changed a good deal since that time and that it would be incorrect to identify it with a typically capitalist society of the times of Marx. The social changes introduced during the last century and more particularly the last fifteen or ten years therefore have only partially taken the form of increased state activity. Various types of community activity have sprung from private initiative — such as trade unions and co-operatives — and there has even been a deliberate tendency to create „new organs“ (as the Constitution calls them) to alleviate the tasks of the authorities, without, however, abolishing the influence of „the community“. It seems appropriate to remind the reader of the distinction, already made in

early socialist literature between nationalisation and socialization. In the latter case it is not the state only, but some form of community which takes over the property of an enterprise.

2. TYPES OF COMMUNITY INFLUENCE

WE WILL therefore discuss in some more detail the various types of community influence now in existence in Holland. Apart from public authorities, whose influence will be discussed in the remainder of this article, there exist, from olden times already, *trade unions* and *employer unions* as well as various types of *co-operatives*. The influence of co-operatives in retail trade is not as large in the Netherlands as in Britain or the Scandinavian countries. Perhaps the conclusion must be that Dutch consumers are, in the main, rather individualistic. Yet there are powerful consumer co-operatives in Rotterdam and The Hague — not so much in Amsterdam. In contrast, there are powerful *farmers' co-operatives* all over the country. These operate the majority of the dairy factories, the beet sugar factories and the potato flour factories. They also heavily engage in bulk purchasing of fodder and fertilizer as well as in the selling of agricultural products, such as dairy products and eggs. It is interesting to note, though, that no co-operative management of any farms has ever been aimed at. Here it is felt that private operation is more satisfactory.

A very remarkable new form of community influence has been introduced, as the outcome of a long process of discussion, in 1950, with the passing of the *Law on the Public Organization of Production (P.B.O.)*. This law creates a network of organizations with *public duties* and rights, with equal representation of trade unions and employers' unions. The organizations are created at the *enterprise level, the industry level and the product level* (i. e. a vertical combination of industries); in addition there is a „roof“, called the *Social Economic Council (S.E.R.)*. The organizations have tasks mainly in the field of „secondary“ labour conditions (since wages are the direct concern of the government) and of the *regulation* of statistics, quality control, seasonal variations in sales etc. They are an exercising ground for co-operation, on an equal footing, between workers and employers. By far the most important role has so far been played, however, by the Social Economic Council (S.E.R.) which not only supervises the „lower“ organizations, but before all advises the government on all important questions of economic and social policy. The tradition since 1950 has been that no important government decisions have been taken without the consultation of S.E.R. The influence of S.E.R. is very considerable therefore; the more so since the method developed by this body to deal with the questions submitted to it has been one of high objectivity. The Council therefore has developed into a *meeting ground* of various social and political opinions. More important even, it has been able to solve most of the controversies by methods of scientific analysis and practical compromise. Its reports are documents witnessing the desire of the Dutch people to create a new society, based on ideals from different quarters and a thorough knowledge of economic and social forces. The composition of S.E.R. is different from that of the lower bodies in that there are three equal groups here; employers' representatives, trade union representatives and independent experts. The experts, mostly, but not only, profes-

sors of economics, are appointed by the government but are not responsible to it. They are evenly distributed over the four main currents of thought in the Netherlands, i. e. the Catholic, Protestant, Liberal and Socialist current. It is interesting to note that in social matters the first deal with the extent of *public ownership of capital* important measures of postwar economic and social policy have been accepted by them which are closer to socialist than to typically liberal views.

3. THE STATE SECTOR

TURNING now to the role played by public authorities in Dutch economic and social life, we will first deal with the extent of *public ownership of capital goods*. There is a considerable sector where the means of production are in public hands, either at the State or at the lower levels. It comprises the following activities: electricity, gas and water (100%), P.T.T. (100%), local transportation (some 75% or more), railways (100%), coal mining (some 50%), iron and steel (mixed enterprises with considerable public share), ports (100%), the Central Bank and a few smaller activities. It is worth while mentioning that there is also a group of state farms, in the newly reclaimed areas of the Zuyderzee.

Most of these enterprises were already publicly owned before Britain and France nationalized railways, coal mining and steel (Britain). The efficiency of the enterprises is generally considered satisfactory in comparison with private enterprise and this is attributed to the fact that their management has considerable freedom in taking their decisions.

4. TAXATION AND SUBSIDIES

A SECOND item of state activity is the influence exerted by its system of taxes and subsidies. Its historical trend has been characterized by a considerable increase in average tax levels; from less than 10% in the 19th century to some 25% of national income. It has also been characterized by a rise in tax rates, especially on high incomes. Since, on the other hand, a number of *administrative activities* are particularly benefitting the lower income groups, we may say that there is a redistributional activity tending to equalize incomes. The results are illustrated by an interesting calculation made by messrs H. Vos and J. C. Wijnmaalen¹, summarized in the following table.

1 H. Vos and J. C. Wijnmaalen, „Overheidswerkzaamheid, overheidsfinanciën en inkomensverdeling“, in: De Nederlandse volkshuishouding tussen twee wereldoorlogen, Utrecht.

New Current Account

„THE REVIEW OF INTERNATIONAL AFFAIRS“ HAS GOT A NEW CURRENT ACCOUNT AT THE COMMUNAL BANK, IT WILL READ IN FUTURE:

101-14

31806/123

| Income group | Fiscal income | of which due to gov. activity | "Own" income (2-3) | Taxes paid | Fiscal income minus taxes (2-5) | Received from public services | Actual income (6+7) | Balance of government influence (8-4) | Balance as a percentage of fiscal income (8-4) : 2 |
|--------------|---------------|-------------------------------|--------------------|------------|---------------------------------|-------------------------------|---------------------|---------------------------------------|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I | 650 | 175 | 475 | 80 | 570 | 201 | 771 | + 296 | +45.5 |
| II | 1080 | 232 | 848 | 140 | 940 | 254 | 1194 | + 346 | +32.1 |
| III | 1680 | 72 | 1608 | 233 | 1447 | 276 | 1723 | + 115 | + 6.9 |
| IV | 2450 | 54 | 2396 | 376 | 2074 | 370 | 2444 | + 48 | + 2.0 |
| V | 3700 | 48 | 3652 | 679 | 3021 | 521 | 3542 | - 110 | - 2.9 |
| VI | 6750 | 88 | 6662 | 1563 | 5187 | 811 | 5998 | - 664 | - 9.8 |
| VII | 21000 | 270 | 20630 | 6760 | 14240 | 2160 | 16320 | -4330 | -20.6 |

The table illustrates the degree of redistribution that took place already before the war. It is very probable that the present situation even implies a higher degree. The study quoted has not been repeated, however, because of the considerable amount of work involved. An impression can be obtained from the following figures showing the distribution of incomes before and after taxes in 1938 and 1956.

Shares of various groups of income recipients as a % of national income at market prices²

| | Before tax | | After tax | |
|------------------------|------------|------|-----------|------|
| | 1938 | 1956 | 1938 | 1956 |
| Wage earners | 45.8 | 49.4 | 47.5 | 44.2 |
| Old-age, etc. pensions | 0.7 | 0.3 | 3.4 | 2.7 |
| Insurance Funds | 1.1 | 0.9 | 3.5 | 5.9 |
| Independents, firms | 40.3 | 37.3 | 34.5 | 27.5 |
| Public authorities | 12.1 | 12.1 | 11.1 | 19.7 |

Income of public authorities "before tax" represents indirect taxes, minus subsidies; this is supposed to be "primary income" to the authorities. Income after tax in this category means total tax income minus income transfers. The shift in figures between 1938 and 1956 reflects the considerable increase in "direct" taxes (income tax etc.). It will be seen from this that there is a considerable shift towards public income and insurance funds, mainly at the detriment of the incomes of independents and firms.

5. STATE INTERVENTION

A PART from its increasing and considerable financial impact on economic life the government interferes with it by a large number of regulations which restrict the freedom of private enterprise. Such intervention was virtually nonexistent in the seventies of the last century. It started with a series of laws which introduced and ever since increased the element of *social protection* and *social insurance*. In succession children's, women's dangerous and heavy work were put under supervision and restricted. In 1919 the general restriction of normal daily working hours to eight was obtained. Social insurances started in 1901 — considerably later than in Germany, where it was introduced by Bismark — and still has not been com-

pleted: there are provisions against accidents, invalidity, sickness, hospital costs, unemployment, old-age poverty, but benefits for widows and orphans will be introduced in the near future only. According to the situation in 1957 social contributions are being paid equal to 33.7 per cent of wages, distributed as follows.

Social contributions, as a percentage of total wages (for all insured) in 1957³

| | Paid by employers | Paid by employees | Total |
|--------------------------|-------------------|-------------------|-------|
| Invalidity | 0.9 | — | 0.9 |
| Accidents | 1.4 | — | 1.4 |
| Sickness | 1.7 | 0.7 | 2.4 |
| Hospital costs etc. | 2.0 | 2.0 | 4.0 |
| Family allowances | 4.1 | — | 4.1 |
| Unemployment | 1.0 | 1.0 | 2.0 |
| Old-age funds | 2.7 | 1.6 | 4.3 |
| Holidays etc. | 10.0 | — | 10.0 |
| General old-age benefits | — | 4.6 | 4.6 |
| Total | 23.8 | 9.9 | 33.7 |

Intervention was intensified during the two war periods, when rationing at a large scale had to be introduced and during the great depression, when numerous restrictions schemes in agriculture and in trade policy were introduced in order to maintain some sort of equilibrium in prices. Generally speaking, however, anticyclical policy was not yet conducted in the right way. Although a considerable number of interventionist measures were dropped again after the war, a system of state intervention has remained of which the main characteristics are the following.

Wages are under the control of the government as are *rents* and a number of *agricultural prices*. The government has the power to impose *price stops* at any moment.

New enterprises in a large number of activities, including retail trade and small-scale industry, can only be established after a *permission* has been granted. This permission is not given to insufficiently qualified applicants. Applicants have to pass an examination.

Residential building is regulated also by a system of permissions; in view of the scarcity of dwellings *municipalities are rationed* by the central government according

² Centraal Planbureau, Enige globale gegevens betreffende de inkomensverdeling in Nederland, The Hague 1958, p. 34.

³ Data obtained from Central Planning Bureau. Legal percentages are higher, but apply to wages up to a certain limit only.

to their most pressing needs. Normally no more than one room per person plus one room, is permitted to families living in large dwellings; they have to let the remaining rooms to others.

There is a deliberate policy of stimulating the development of *under-developed regions*, consisting of the improvement of transportation facilities, the preparation of industrial sites and, in a few cases, the direct furtherance of industry. Thus, steel industry has been largely financed from public means.

Perhaps the most interesting coherent system of regulations is the one referring to wages. A large number of committees in each industry, composed of representatives of workers, of management and of the government, have engaged in „job evaluation“ or „classification“, i. e. the careful analysis of the requirements for each job, ending up in certain „scores“ given to each job. Wages are carefully adapted to this system of scores. General wage increases are only given after the Social-Economic Council has advised the government with regard to the economic situation generally and the consequences of a wage increase. For a country with a high level of international trade this is assumed to be a necessary instrument of safeguarding employment and balance of payments equilibrium.

6. EDUCATION AND INFORMATION

ALTHOUGH not an economic or social subject in the narrower sense, *education* cannot be left out of consideration in a description of a nation's economic and social régime. Education, apart from its cultural importance, has a twofold impact on a country's economy. Its general level influences the general level of efficiency; its distribution over the various groups of the population influences the relative supply of trained and unskilled labour, including all the levels of training up

to the highest. There is a trend towards increased access of boys and girls of modest financial means to all types of education, but much remains to be done here. While the population doubled since 1900, the number of university students increased sixfold and similar trends prevail in all types of education. Numerous new types of schools at the medium levels have been added to the traditional ones. The government's policy is consciously directed towards creating the types of manpower needed in future economic and social development, on the basis of freedom of choice for the individual student.

Information in a wide sense also has become an increasing concern of the government, both with regard to commercial and with regard to technological matters. A network of agricultural and manufacturing consulting agencies assists small entrepreneurs in finding the best methods to run their production. Statistical information has followed the international trend, and sometimes led it: national budgets (in the sense of national accounts for a future year) have been first established in the Netherlands.

7. PLANNING

THE increasing consistency of economic policy and the increasing awareness that present decisions are shaping the country's future has made planning a necessary element. Dutch economic plans have been made up since 1946 and certain tools of particular importance to macro-economic planning have been developed in the Netherlands. It is the author's belief that various of these tools might also be of some use to other countries including the so-called centrally planned countries. In fact the differences between economic plans of communist and non-communist countries are less than is often thought. This is a subject by itself, however, and cannot be dealt with here.

COMMENTS

XXVI Session of E.C.O.S.O.C.

V. CVETIĆ

This year's session of ECOSOC has reconfirmed the fact that an ever greater significance and important place is being assigned in international relations to economic and social problems. It may therefore be expected that these questions will also occupy a prominent place at the forthcoming session of the XIII General Assembly of the United Nations.

It may be noted with pleasure that the work of the session proceeded so far in a quiet atmosphere without any extreme attempts at creating tension, in spite of the events in the Middle East and their

eventual repercussions on the course of the session. It is possible that the moderate and constructive attitudes of most delegations be replaced by a cold war atmosphere if the situation in the Middle East does not take a turn to the better. At any rate it would not be surprising if the events in the Middle East on which the attention of the whole world is focused, should affect the attitudes and activity of the delegations at the present session of ECOSOC.

It therefore remains to be seen whether the XXVI session will go down in the

annals of ECOSOC as one of the most successful in the recent past.

In view of the heterogeneous composition of the Council which consists of the representatives both of the highly developed and the insufficiently developed countries it is understandable that the attitudes and concepts of the individual countries on the main questions pertaining to the work of ECOSOC and the United Nations in general should differ frequently. Those countries which consider the United Nations the prime instrument of international cooperation are devoting constant efforts aiming at the ever greater affirmation of the U. N. role on the international plane and especially in the field of economy. Such motives stimulated the initiatives of those countries which urged the creation of SUNFED and put forward other significant proposals as that on the holding of international economic consultations within the framework of the United Nations.

Under the contemporary conditions marked by the economic polarisation of

the world on the one hand and the vast prospects for the further rapid growth of productive forces, — thanks to the accelerated development of science and technology (especially automation), — an adequate system of international cooperation through the United Nations became necessary as the present needs of international economic cooperation surpass the previous narrow limit within which this cooperation developed. The positive efforts, especially of the less developed countries, to utilise all the possibilities of economic cooperation through the United Nations to the maximum extent as the most convenient place for the coordination of various tendencies and interests cannot be denied.

This is all the more significant as the present Session is proceeding under the shadow of the recession which had a particularly adverse effect on the economies of the under-developed countries thus requiring the concerted efforts of the entire international community in the implementation of measures to counteract such a situation.

The well-nigh traditional agenda includes the following points:

The world economic situation including the development of the less advanced countries, technical assistance, international commodity problems, the creation of world food reserves, the social situation in the world (including the Report of the Commission on the Status of Women and the Report of the Human Rights Commission etc.) and a general survey of the development and coordination of U. N. activities and that of the specialised agencies on economic and social problems.

1. Discussions and Proposals Pertaining to Debate on World Economic Situation

The discussions on the international economic situation were held in a fairly quiet atmosphere and centered on several fundamental problems primarily the US recession and its effects on the international plane.

In the Report of the U. N. Secretary General it was stressed inter alia that the economic growth accomplished during the past few years in all parts of the world upset the economic equilibrium to no little extent.

The world economy is faced by recessionist tendencies in industry which threaten a full employment and exert an adverse influence on the development of the under-developed countries. The governments of the highly developed countries are invested with a special responsibility with regard to the implementation of anti-recessionist measures, and should therefore be inspired and guided not only by their own interests but also those of the international community as a whole. The conditions should be created for a long term upswing of the world economy and international economic consultations organized for that purpose in the

framework of the U. N. Attention was called to the inadequacy of international financing for the promotion of economic development. The amount at the disposal of under developed countries is several times smaller than spent every year on military purposes.

The US and Canadian representatives strove to represent the situation in an optimistical light and affirmed that the principal difficulties in connection with the recession have already been overcome. The West European delegations assessed the world situation with far greater concern stressing the negative effects of the US recession on the rhythm of economic activities in other countries. With the exception of Holland which proposed that a study be drawn up by the UN Secretary General which would propose the general indices of economic development and thus lay down the rate of economic activity required and assure the normal functioning of the world economy they did not advance any concrete proposals for ECOSOC action.

Ambassador Dobrivoje Vidić, chief of the Yugoslav delegation stated that the problem of economic recession is all the more complicated as it is largely the outcome of many unsolved problems of the national and international economies. He called attention to the negative circumstance that the recession is taking place in an atmosphere of general economic instability. According to Yugoslav opinion, the major international economic problems are of a nature that they cannot be considered due to the recession nor can they be resolved automatically by overcoming the present economic decline.

The Yugoslav Government considers that the policy of active coexistence ought also be implemented in the field of international economic relations with a view to implementing the all-round and multifarious economic cooperation between the big and small nations, developed and under developed, socialist and capitalist alike. Such cooperation would lead to the economic development of the under-developed members of the international community thus creating the conditions for the genuine economic equality of rights and stability, both economic and political.

The Yugoslav delegation called attention to three fundamental problems of world economy: 1.) uneven development which leads to instability; 2.) the artificial disruption of unity on the world market owing to the shifting of bloc policy also to the domain of economy which results in such integration schemes which are dictated by the military and political considerations of a divided world; 3.) relationship between the economically stronger countries and the international community towards which they are responsible because by a given policy especially by the implementation of certain negative measures these powers can exert a de-

trimental influence not only on their own development but on international economic stability as a whole.

According to our opinion, the international developments so far predominantly placed the under-developed countries in a position of raw materials producers and exporters. Contemporary technological progress and the conditions of demand in the industrial countries render the raw materials market extremely unstable. It is only possible to remedy the present unsatisfactory state of affairs as regards the productive capacities of the under developed countries by means of industrialization which in turn required the vigorous assistance of international financing.

The efforts of the United Nations and actions by the Special U. N. Fund for Economic Development will therefore be indispensable.

Is it interesting to note that the total amount of aid which is being received to-day by approximately 740 million inhabitants in the under-developed countries where national income per capita is less than 100 dollars, does not exceed 1.4 dollars per capita. It ensues from the comparison of the armament expenditure per capita that the latter may average as much as 50—250 dollars per person in some of the developed countries.

The representatives of the under-developed countries, especially the Latin American delegations raised the problem of the international raw materials trade while stressing the gravity of the present situation caused by the sagging prices in a recession stricken market. None of these delegations advanced any concrete proposals however. The Yugoslav delegation urged the holding of consultations on raw materials problems. The possibilities of increased financial assistance to countries which are experiencing difficulties owing to the fall of raw materials prices and the possibilities of concluding international commodity agreements by which this market would be stabilized to a certain extent (along similar lines to the agreement on wheat, tin sugar etc) would be examined at these consultations.

In connection with the world economic situation, the Soviet Union proposed a resolution on the drawing up of a convention on the principles of international economic cooperation. The delegations of Chile and the Sudan put forward amendments which to a certain extent modified the Soviet proposals. The Yugoslav delegation urged that these amendments be adopted with the agreement of the Soviet delegation.

The second Soviet resolution referred to the changes in the statute of the World Trade Organization. Three years ago the GATT member countries drew up a draft statute of the World Trade Organization. The statute has still not come in power because it was not ratified by a sufficient number of countries. In its present form, the statute is not acceptable to the East

European countries so that the new organization could consequently not be universal. The Soviet delegation to the ECOSOC is currently proposing that the Secretary General should examine and propose certain changes in the status of the World Trade Organization thus making it acceptable to the Soviet Union and other East European countries.

The Yugoslav delegation urged the universality of the WTO provided that certain governments put forward concrete proposals for the change of statute. The Soviet proposal was not adopted.

The third Soviet proposal referred to the establishment of a temporary committee for the convocation of world conference on trade and employment. The Yugoslav delegation indorsed this principle but considered it premature. The Soviet proposal was deferred.

In the discussion on the creation of food reserves all delegates urged that US farm surpluses be used for that purpose. This proposal was also indorsed by the Yugoslav delegation which proposed that apart from their main purpose, the proviso be made for the use of food reserves to ease exaggerated demand on some markets as a result of individual national investment programmes.

A resolution of nine countries inviting the governments of the U.N. member countries to implement measures for the creation of national food reserves was also adopted.

In the discussion on the proposal of the Preparatory Committee on the establishment of a special assistance fund for the under developed countries a broader discussion was held in which all countries (with the exception of the Soviet Union) agreed that the proposal be adopted immediately. The Soviet Union proposed the omission of that part of the proposal which refers to the consultative committee of the fund (which also includes the World Bank). The Yugoslav delegation indorsed the proposal in the form proposed by the preparatory committee.

2. Discussion in Coordination Committee

The discussions on coordination at this session proceeded in a far more conciliatory atmosphere than on the previous occasion. This time the delegations of some western countries did not insist to the very end on the restriction of U.N. activities in the economic and social domain as they did last year when they asked that a five year plan precisely fixing U.N. activities in the economic and social field be drawn up.

They notably modified their attitude this year having urged that only a global plan be brought. A five member expert committee was formed which will elaborate the global plan still further: the Yugoslav delegate Dr. S. Makiedo, Chairman of the Coordination Committee was also elected to this committee.

The Yugoslav delegation gave a positive assessment of the results achieved in the field of coordination so far. The Soviet Union submitted a resolution on the drawing up of a convention on the principles of international cooperation in the field of science, culture and education as well as the convocation of a conference on economic resources. These proposals are currently being examined.

The West European countries submitted a resolution on coordination in the field of atomic energy in which the role of ECOSOC in this field is stressed.

3. Discussion in Technical Assistance Committee

The Technical Assistance Committee mainly discussed routine questions. Our delegation urged that the programme be implemented in accordance with the requirements of the under developed countries and took part in the submitting of a resolution on the increase of scholarships.

4. Discussion in Social Committee

A discussion was also held in this Committee on the reports of the Human Rights Commission and the Commission for the Status of Women. A U.S. resolution under which the problem of freedom of information will revert to the Commission, and not to the General Assembly as proposed by the former, was adopted by fourteen votes to four abstentions. The Yugoslav delegation ab-

stained from voting because the matter is being deferred interminably in this manner. The resolution on the celebration of the tenth anniversary of the Declaration on Human Rights, the conference of non-government organizations for the abolishment of discrimination in the domain of education, were unanimously adopted.

The advisory services in the domain of human rights were also examined, as well as a resolution on the extension of this activity to the regions of Latin America and Asia.

The Yugoslav delegation suggested that a study be drafted in the Social Committee on the economic rights of women in the individual regions and countries and that the appropriate measures for the solution of this problem be examined. Such measures are foreseen which would also cover technical assistance in experts and equipment for the training of women in some specific fields of economic activities. The Yugoslav delegation indorsed the resolution on the extension of special assistance to employed women with family obligations.

The report of the High Commissioner for Refugees and the report of the Narcotics Commission will be discussed at the Plenary Session. The report of the U.N. Commission for Narcotics has been adopted by the Social Committee. The Commission has succeeded at last in completing the draft general convention on the control of the production, processing and trade in narcotic drugs.

A Letter from London

Moves in the British Labour Party

Jan MIKARDO

ANY ANALYSIS of the attitudes and policies of the British Labour Party must be based on the fact that it is not, in the fullest sense of the word, a socialist party.

It is true that the Party's objective, as laid down in its constitution, is the creation of a socialist society „upon the basis of common ownership of the means of production, distribution and exchange“ but no more than a small fraction of the Party's six million members¹ would now accept that credo literally.

¹ One million individual members, and five million members affiliated through trade unions and socialist societies.

In fact the Party consists of a majority of social reformers and a minority of socialists. Most of the latter are included in the individual members, who are the Party's activists. By contrast, most of the officials of the larger trade unions, who wield great influence within the Party, and especially over Mr Gaitskell, are lukewarm about, and in some cases even opposed to, socialist policies.²

² For example, the General Secretary of the union of steelworkers has so far refused to commit himself in favour of the Party's proposal to re-nationalise the steel industry.

Fortunately the differences of opinion within the Party — some of them sharp differences, argued very forcefully — are overlaid by a firm sense of unity and solidarity which acts as a cohesive force binding all sections of the membership and avoiding that splintering of the Left which has taken place in some other countries. The example of the S. F. I. O. in France, which has decayed because it lacks a solid proletarian base, is always before our eyes. That is why the Labour Party has no serious rival within the Left, and is not likely to have any. The other socialist parties in Great Britain — the Independent Labour Party, the Socialist Party of Great Britain and the Communist Party of Great Britain — are all negligible, and shrinking, in size and influence. The Communist Party in particular, which is probably the worst-led and least effective communist party in the world, lost a large part of its best members as a result of the Budapest uprising and of the growing evidence of antisemitic traits in the Soviet bloc, and many of these resigning (or expelled) members have joined the Labour Party.

Nevertheless, the persistent anti-Labour activities of the Communist Party have unfortunately (and, as I think, unjustifiably) influenced the attitude of many Labour members (including many of the leaders) towards communist parties and communist governments in other countries. This is particularly true of those of our leaders who stem from the trade union movement, because it is they who have suffered most from the pin-pricking of communist factional action within the unions, in which the communists, because they cannot hope for success in the political field,³ carry out most of their activity.

Ernest Bevin was the supreme example. For many years before he became a Minister of the Government he had been General Secretary of the Transport and General Workers' Union and a member of the General Council of the Trades Union Congress, and in both these capacities he had had

many passages of arms with communists-organised efforts at „breakaways“ from his union. It has been said that when Bevin became Foreign Secretary in 1945 and went to the Potsdam Conference and found himself, for the first time, negotiating with representatives of the USSR he treated them as though the Soviet Union were a communist-inspired break-away from the Transport and General Workers' Union!

That is doubtless a somewhat exaggerated picture, but there is no doubt that the anti-British-communist sentiment of some Labour leaders, which in some cases is so obsessive as to be almost psychopathic, has warped their attitudes towards communist parties and communist governments abroad.

Certainly this factor influenced the rejection by the Labour Party of the two approaches made to it by the Communist Party of the Soviet Union for a direct exchange of views. It is true that the constitutional grounds on which we rested the rejection — namely, that as a Party in opposition we could not enter into relations with a Party which was indistinguishable from the Government of its country — is a perfectly correct piece of protocol; but I cannot help feeling that this constitutional consideration would not have loomed so large if the approach had come from a party with a different ideology.

For somewhat similar reasons the Labour Party makes its contacts with parties in other European countries only through the machinery of, and only with its fellow-members of, the Socialist International. All the parties of the Socialist International are non-communist, most of them are strongly anti-communist, and some of them (the émigré parties) have anti-communism as virtually their only *raison d'être*, and pursue it with the fanatical virulence of mediaeval churchmen.

There is, as I have already suggested, not the slightest justifiable reason why all these factors should shape, or even significantly influence, the foreign-policy standpoint of the Labour Party. But the fact is that they do so, and it is this which sometimes makes it difficult for socialists abroad to understand our attitudes.

The internal argument between Left and Right within the Party ebbs and flows over the years. In the final issue the Right can always, because of the voting-power of the union leaders, get its way, and in the final issue it can,

and sometimes does, use its control of the machine to discipline, and even expel, its opponents. But now and again the Left achieves a bloodless, and sometimes unnoticed, victory by moving the leadership a bit closer to its own point of view. For example, Mr Gaitskell's initial reaction to the Government's Suez policy, and his initial reaction to the Government's proposals to strengthen the House of Lords, were both diametrically different from the policies which the Party eventually adopted as a result of pressures within it.

In the last three years the Left has grown in both size and influence. One reason for this change is the rise in stature and position of Aneurin Bevan. Three years ago he was on the point of being expelled from the Party: to-day he is second only to Mr Gaitskell in position and second to nobody in influence.

Another factor which has contributed to the rise of the Left is the fact that some of its ideas which were condemned as minority heresies when they were promulgated have proved in the event to be correct and have come to be adopted as Party policy. These ideas include the abolition of charges on the National Health Service, a demand for the reduction of arms expenditure, opposition to the rearmament of Western Germany, and the removal of embargoes on East-West trade.

Nevertheless, there is some justification in the criticism often levelled against the Left that we have not done enough serious study of the detailed and practical consequences of the policies we have advocated.

It is in order to overcome this defect that a number of Left-wing activists within the Party have taken over, reorganised and greatly expanded the organisation known as „Victory For Socialism“. This organisation consists only of individual members of the Party, and it is pledged to work constructively within the Party and within the framework of the Party constitution.

Already Victory For Socialism has a dozen study groups hard at work on various aspects of policy. It has published two striking and controversial pamphlets: „Policy for Summit Talks“, and „Equality in Education“. Three others — on housing and rents, on the planning and control of industry, and on the Middle East — will be published within the next few weeks.

³ In a recent parliamentary by-election at Wigan, which is predominantly a coal-mining district, the communist candidate polled 21½% of the votes, compared with 71% polled by the Labour candidate. There is no parliamentary constituency in Great Britain in which there is the remotest chance, for as far ahead as one can reasonably foresee, of a Communist MP being elected.

Victory For Socialism seeks above all to combat the political apathy which is prevalent throughout the whole of British society. There is every indication that the Government has lost the support of many of those who voted it into power; but these people have not yet been swung over into positive support for the Labour Party. The only way to capture the imagination of the electorate is to convince it that a Labour Government will make fundamental changes in our social order and in our international re-

lations. The re-shaping of our economy with a fast-growing public sector under democratic systems of administration and control; the provision of housing as a social service; the abolition of privileged education for the children of the wealthy; the renunciation of nuclear arms and a real drive to end the Cold War — these are the things which will recapture for the Labour Party the internal élan and the external support which it had in the exciting days of 1945.

Fortnight in the World

New Italian Government

Marko KOZMAN

ALL THE contradictions in the political life of Italy, which were confirmed by the results of the recent parliamentary elections, found expression in the various combinations arrived at in connection with the setting up of the Fanfani cabinet, as well as in its programme. Evolution in the political concepts of Italian voters — reflected in a definite movement from the right towards the centre and from the centre towards the left-wing — contributed even more to the polarization of forces around the three largest parties in the country, the Christian Democrats, the Communists and the Socialists. But neither were the Christian Democrats, as the ruling party, capable of setting up a majority Government — but they were obliged to form a coalition, nor were the Communists, together with the Socialists, who recorded the largest increase at the elections, capable of setting against the Government and the right-wing an organized Left opposition, owing to their irregular mutual relations.

Parallel with the general progressive movement of the electorate, one also notices certain trends in the Christian Democratic Party. Its organizational consolidation, the strengthening of the centre and left-wing, and together with this, a more definite orientation towards the policy of Christian Democratic reform, introduces new elements in the current Italian situation. A certain strengthening of radical forces in the ruling party determines the frame within which the Christian Democratic Party can look for allies for the implementation of its policy.

The four-party coalition of the past is today almost impossible of attainment. Contradictions between „Catholic reform“,

which makes concessions in the social field to demands imposed by social development, and the liberal bourgeoisie, as defender of the interests of big capital, are considerable, especially at this time, when Italy is facing serious internal problems. This, however, does not mean that no mutual concessions could be arrived at resulting in an agreement between the Liberals and Christian Democrats, Nor, for the time being, have the Republicans entered the Government coalition. Whether they will only support the Government in Parliament, whether they will or take an active part in it, depends on the decision to be taken at the Autumn Congress of the Republican Party. By that time the Christian Democrats will certainly do their best to persuade that Party of the possibility and usefulness of cooperation (which, in view of the similarity of views on most of the home and international problems, will probably not be difficult) as the Republican Party, though insignificant as far as membership goes, plays a very important role in parliamentary calculations. It would enable the minority Government of Cristian Democrats and Social Democrats, whose existence is constantly threatened to become a majority Government. This would free it from apprehension that it might be outvoted by the Left and Right opposition which, starting from their diametrically opposite concepts of the political organization of the country, unite only when it is necessary (each in consideration of its own interests) to register a vote of nonconfidence in the Government.

Of the former parties of the four-party coalition only the Social Democratic entered the new Christian Democratic Government. In return for several conces-

sions of a more or less reformist nature in pursuance of social and economic policies, and in return for several less important ministers' portfolios, the Christian Democrats have gained a partner who gives their Government the formal appearance of a coalition with the forces of the Left. The portfolio of the Foreign Minister which, according to the expectations of many, was to be given to the leader of the Social Democratic Party, Saragat, remained in Fanfani's hands. This solution, which may not be definitive, is explainable by reasons existing on both sides. Saragat's entire policy is based on anticommunism. This attitude is manifested also with regard to the unification of the Social Democrats with the Socialists, and in respect of Social-Democratic foreign policy concepts. With anticommunism as a basis, their foreign policy can only be strictly of a bloc character and orientation. Such an orientation probably would not be suitable for Italy at the moment when she is endeavouring, in a complicated international situation, to gain a foothold in the Mediterranean by pursuing an elastic policy. Saragat's direct entry into the Government might lead to even greater disagreement in his party, in view of the fact that he preferred the participation of the Social Democrats in the Government to unification with the Socialists, which meant abandoning all prospects of the latter in the foreseeable future. In this situation, it seems, Saragat nevertheless needs the unity of the party. The liquidation of the „crisis of unification“ would strengthen Saragat's position and his prospects for taking, the Foreign Ministry portfolio in the autumn, with the support of the Republicans, after their possible decision on joining the two-party Government. Saragat's foreign policy can only be more exclusive than that of Fanfani, which would answer the wishes of certain quarters in the Christian Democratic Party to whom Fanfani is sometimes obliged to make concessions.

The compromises and concessions which Fanfani is obliged to make in his policy are also felt in his Cabinet's programme. As a rule he makes these concessions to various elements in his own party rather than to Social Democrats, to other parties which might possibly join the Government or to parties which make up the opposition in Parliament. These complicated inside-party and inter-party relations are augmented by a number of outstanding social problems, the weakening of the economic boom, the danger of recession, the network of questions connected with the functioning of the common European market and Italy's place in it, the complicated international situation — all of which have influenced the formulating of the programme in such a way as to give rise to as little polemics as possible and meet the greatest possible number of demands of various elements and parties. There is a strong tendency to use the intervention

of the State in the field of economic life only as an addition to private enterprise. Many social problems are also referred to — problems whose process of solution will take a long time. But there are also problems, even basic problems, which are not mentioned in the programme, or which are tackled only to avoid the possibility of an increase of the detrimental consequences of the recession.

In foreign affairs the orientation of the new Italian Government is characterized by a more active „Mediterranean“ policy. As a member of NATO, Italy found herself in a subordinate situation in relation to the other Western countries. In supporting to the tendencies for independence in the North African and Middle East countries, Italy is endeavouring to identify herself with them, through more favourable economic arrangements, and thus partly make up for the economic loss caused by the forfeiture of the colonies. In the policy of the new Government these principles are given priority over the familiar, and lately less successfully defended principles of the Christian Democratic left-wing, on the strengthening of the economic and political activity of the North European community.

When working out his programme, Fanfani had to reckon with the forces of the Left. The existence of the Left, and its strengthening to a certain degree at the elections in a way constitutes the limit towards the Right of the manoeuvring area in which the Christian Democratic Government can move, just as the existence of the extreme Right parties constitute, in a way, the Left limit of Government's manoeuvring space. Besides influencing relations between the Social-Democrats and the Socialists, the creation of the new Government also influences relations between the Socialists and the Communists. What is really involved is more energetic efforts to organize the unity of the forces of the Left and the opposition of these forces to Christian Democrats and the right-wing in Parliament. The discussion on the forms of unity between the Socialists and Communists really conceals moral divergences between these two parties in regard to their mutual relations, which are based on the holding of different views towards certain problems of principle of the international workers' movement. The Communists consider that unity can only be achieved by ensuring the full support of the Socialist for their policy. This, in the opinion of the Communists, would more or less complete the rallying of the left-wing forces.

The programme of Fanfani's Government also contains a series of other promises, more or less acceptable to Italian voters. It is chiefly based on the election programme of the Christian Democrats, whose basic slogan was „progress but without adventure“. Although a result of contradictions one of the more progressive programmes of the post-war Italian Govern-

ments, Fanfani will probably endeavour to conduct it as flexibly as possible, especially that part of the programme which refers to stability in economy and to foreign affairs, in order to contribute to the strengthening of its position and the possible winning over of a new partner from the centre, for entry into the Government. The concentration of functions of the se-

cretary of the Christian Democratic Party, of the Prime Minister and Foreign Minister, in Fanfani's hands, ensure unity of leadership in the most important tasks and prevents divergences between the leaderships of the Christian Democratic Party and Government, which — in a rather complicated political situation — is of great importance to Fanfani.

FUTURE OUTLOOKS FOR SOCIALIST FORCES OF ITALY

Vittorio ORILIA

THE formation of the new coalition government of the Christian and Social Democrats under the Premiership of Fanfani again posed the problem of the future outlook of the political struggle of the socialist forces of Italy, i. e., the problem of effective inclusion of the working masses into the political life of Italy.

It is a fact that in the last elections there was an increase in the number of votes for the Left. The Communist Party retained its positions, and the Socialist Party, too, received greater support than in the previous elections. But, it is also a fact that under present circumstances — unless exceptionally important international developments should take place — the Communist and the Socialist Parties could in no case secure more than about 40% of the total number of votes. On the other hand, the situation in Parliament will, undoubtedly, remain unstable as long as the Left is out of the government. This was shown by the very small majority which supported the Fanfani Government on July 19 (295 for, 287 against, with 9 abstentions).

Since, as we see, it is unlikely that the Left will come into power in the near future, and since, on the other hand, the coalition of the Centre — the present manifestation of which is the Fanfani cabinet without Liberals — cannot be expanded and must give way to the pressure of the elements of the right in the Christian Democratic Party, it is clear the Italian political situation could be improved only through the participation in government — in a democratic way — of the entire Left, or one of its sections. It is only in this way that the necessary structural reforms could be carried through, serious economic planning started, and greater flexibility and freedom of action given to Italian foreign policy.

This, however, is more complicated than may appear at first. In fact, considered from a purely parliamentary point of view, cooperation between the Socialist Party and the Centre (which comprises a large majority of the Christian and So-

cial Democrats) would seem to be a simple matter. But such cooperation is prevented by the opposition of the conservative circles of the Christian Democrats on the one hand, and by the traditionally united policy which the Left pursued in the post war period on the other.

Generally speaking, the united policy which the Communist and the Socialist Parties followed, and which led to the formation of the National Front in 1948, is now considered to have been harmful indeed, it was based on the mistaken view that, precisely in 1948, there were realistic possibilities for the ascent to power of the Left, a view which, to say the least, was in contradiction with the policy pursued by the Socialist Party, and even more so by the Communist Party, from 1944 onwards — a policy of adaptation to the objective reality of the Italian situation, a policy which was wrong because it insisted too much on the formulas which were successful in the people's democracies of Eastern Europe, e. g., under entirely different conditions.

In any case, no matter what judgment may today be passed on the policy of „united action“, this policy was for years pursued by the Communist and the Socialist Parties, and it has left deep traces on the very structure of the two parties. In the last two years, but especially since its Venice Congress in 1957, the Socialist Party has been saying that it has no intention of following this policy any longer: but while it is quite certain that the leading members of the two parties disagree on the question of policy (events in Hungary and the Joint European Market clearly showed their differences), it is hardly to be expected that the lower party echelons, particularly in the smaller centres, will see that the position of the Socialist Party differs from that of the Communists, or that the solutions proposed by the two parties often differ in essence. This situation is further complicated by the fact that both the Socialists and the Communists still cooperate in the mass organizations — trade unions, cooperative societies and municipal councils; and great care must be taken to avoid a split, which

would benefit the conservative circles in the towns and villages. The Socialist Party, however which is not as firmly consolidated in its organization as the Communist Party might, against its will, weaken its ties with the mass organizations and gradually transform itself into a „party of contemplation“, powerful at elections, but without any close organizational links with the working masses, which would bring it face to face with a double danger; the repetition of the unfortunate mistake of the Social Democratic Party and the severance of the masses organized in the Communist Party from the political life in the country.

Owing to this, the responsible leaders of the Socialist Party believe that a longer period of time is needed to strengthen their socialist basis, to explain the Party's views and aims, and to consolidate its ranks before starting any serious talks or negotiations with the Christian Democrats.

THE DISPUTE ABOUT THE INDUS RIVER

AMONG the unsolved international problems there also are those which might be settled with comparative ease and quickly given a little good will, and their settlement would provide a positive precedent for the solution of other and bigger problems also. One such problem is that of utilization of the waters of the Indus River and its tributaries; deadlocked for years past, it has been harming the population of both India and Pakistan, notably the first.

Indus is the river after which India is named, and with its 1,800 miles long course, and a volume of water equal to that of the Nile, it counts among the world's great rivers. Its most significant tributaries include the Kabul, from the west, and the Chenab, from the east. Emptying into the Chenab are the rivers Jhelum, Ravi and Sutley, while the last is joined by the Bias. All these rivers have their source below the snowy Himalayas and flow through vast spaces of India and Pakistan on their way to the Arabian Sea. At times when precipitations are critically low, the health and life of millions of people depend on utilization of those rivers.

During the last hundred years a network of thirteen canal systems had been built for irrigation purposes, being served by the waters of the stated rivers. The area of arid land annually irrigated by those canals equals about 10 million hectares, including 8 millions in Pakistan and about 2 millions in India. However, the total area of arid land which could be irrigated through a reasonable utilization of the said rivers' waters runs to about 26 million hectares, including about 16 millions

The Communist Party, for its part, retains the reserved attitude which is assumed in October 1956, and avoids any serious discussion among its membership about the acute problems of the working masses, thus creating formidable difficulties for many of its members. In the last few months certain crises have been occurring among the intellectuals, some of whom have resigned from the party.

This, as the results of the last elections showed, has not led to any weakening of the Party's influence among the masses. But even so, this does not encourage the assumption by the working class of any serious attitude towards the problems of the country and the working masses in general, or the adoption by the Left parties of any concrete policy of broader perspective. And such a policy is becoming ever more urgent, no matter which party, the Socialist or the Communist, intends to take over the leadership of the Italian working masses.

in Pakistan and about 9 millions in India. The number of inhabitants in the relevant areas, whose survival depends on the utilization of those waters, is about 25 millions in Pakistan and 21 millions in India.

With the division of India into two independent countries — India and Pakistan — on August 15, 1947, the artificially drawn border split the catchment area of the Indus into two parts, leaving ten out of the thirteen canal system, utilizing 88 per cent of the water for irrigation, to Pakistan; all these canals rely on the rivers flowing from India or that part of Kashmir which is held by India.

After gaining independence, India devoted the greatest attention to realization of its economic plans, designed to raise the standard of living of her population. Under those plans agriculture occupies one of the prominent places. Nobody and nothing can challenge India's right to build the large Bhakra Dam on the Sutley River, the Rajahstan Canal System or to enlarge the Sirhind Canal, since those projects would serve not only to facilitate the living conditions, but to safeguard the fundamental existence of the population of the border states Eastern Punjab and Rajahstan. The precondition for the realization of these valuable projects is a concerted solution of the problem of utilization of the waters of the Indus and its tributaries, which problem has turned into a dispute between India and Pakistan. This dispute has been going on for the last ten years and it is still considered today in the Office of Commonwealth Relations in London, with the mediation of the representatives of the Bank for Reconstruction and Development.

In May, 1948, a certain measure of agreement had been reached between the Government of Western Pakistan and the Government of the Indian state Eastern Punjab regarding a temporary utilization of the waters at issue. Although this agreement did not go deeper into the problem, it did make provision for a continuation of negotiations toward its definitive solution. But no appreciable results have emerged from the years-long talks toward finding the most advantageous solution. Ultimately, in February, 1954, the representatives of the International Bank for Reconstruction and Development suggested the following solution:

(1) The waters of the western rivers the Indus, the Jhelum and the Chenab shall be utilized by Pakistan exclusively, while those of the eastern rivers the Ravi, the Bias and the Sutley shall be utilized by India exclusively;

(2) This division shall be carried out after a transitional period of five years during which Pakistan would build transverse canals to substitute the waters of the western rivers for those of the eastern rivers;

(3) India shall gradually reduce delivery of waters from the eastern rivers in accordance with the erection of transverse canals in Pakistan;

(4) India shall participate financially in the construction of transverse canals in Pakistan.

Notwithstanding the fact that this proposal provides for allocation of 80 per cent of the waters to Pakistan and only 20 per cent to India, and that India would share the cost of construction of transverse canals in Pakistan, India did accept the proposal, being guided by a desire for peaceful and constructive cooperation between neighbours.

Pakistan, though, still refuses to accept a reasonable solution of this very sensitive dispute, causing enormous damage and threatening the survival of a numerous border population thereby. This rejection seems all the more incomprehensible given that the volume of these rivers suffices for irrigation of the arid areas of both India and Pakistan. However, viewed in the light of the Kashmir dispute, the matter becomes clear. Apparently Pakistan's refusal of a compromise solution regarding the utilization of the waters of the Indus and its tributaries has been calculated, first of all, as a political pressure on India in connection with the Kashmir dispute.

No good can come of a policy of pressure. It is not difficult to find a formula for utilizing the waters of the Indus catchment area, and we are convinced that a conscientious settlement of this and other lesser disputed problems would pave the way for settlement of the Kashmir problem also.

Social Self-Government as the Social-Political Base of Socialist Democracy

Milorad DOSTANIĆ

State Under-secretary in the Serbian Executive Council

IN ORDER to differ essentially from bourgeois democracy, socialist democracy must find — and in our case, in Yugoslavia, actually is finding — new social and political forms. Bourgeois democracy meets the case in conditions of capitalist private ownership and always remains restricted by the private-capitalist production relations. Except for some achievements which human society has created in its development to date, notably those in the domain of personal freedoms, socialist democracy cannot graft new relations in production onto the old social-political relations and political forms. Social ownership of the means of production changes the status of the citizen in the new society so much so that the old, bourgeois forms of political organizations and other forms of uniting (the multi-party system for example) would constitute a brake on the development of the new relations, conducing to etatisation and all deformations which already are known from practice. It suffices not that the working class overthrow the rule of the bourgeoisie, but it is necessary that fresh political forms also be found wherein the working class and all working people would be afforded enough latitude for the full momentum of their creativeness.

If socialism represents a better and happier future of the working people, as andeed it does, then there is no reason at all why the widest masses should not be included in the development and striving for such a social order. The „élite“ of the bourgeois political summits must not be replaced by the „élite“ of political leaders of the working class, but, first of all, by such new social-political relations wherein the previously fettered forces and the initiative of the working people and their creativeness shall be released and enabled fully to manifest themselves.

Because of this, in its character socialist democracy must be a democracy for the masses of people, a mass-scale and direct democracy. Socialist democracy is effective in so far as it ensures a day-to-day participation to the people's masses in the management of the economy, of state, political and other public affairs. As distinct from bourgeois democracy, in which it is the party summits that govern instead of the people, in socialism the principle must be realized that the masses of the people shall govern on their own behalf and for their own sake. It may happen and prove quite warranted for a certain time that the forms of bourgeois be suitable for the initial phase of socialism in the individual countries, yet the problem is not to adjust those forms to the new production relations, but that they be transcended by social self-government.

Socialist self-government in Yugoslavia represents the base of socialist democracy. Understood by this concept is workers' self-government, self-government in the communes and a series of other forms of social self-government in which the interested citizens and various organizations participate. In the period from 1949 to date gradual changes have been carried out in the political system of Yugoslavia by introducing social self-government on the basis of the familiar Marxist premise about the withering away of the state. Those changes had been inaugurated with the introduction of workers' self-government, which had been followed by the introduction of social self-government in a series of other spheres, so that today we have social self-government in the domains of education, health, culture, social insurance, social protection, and housing.

In many of these domains social self-government has a long practice behind it. The experiences gained thus far still do not afford possibilities for detailed analyses of the adequacy of the one or the other concrete form, yet the fundamental principles upon which social self-government rests have been adopted and represent a great revolutionary achievement of the working masses. Any attempt to abandon any form of social self-government would be absurd in Yugoslavia today, since it would amount to withholding the democratic rights of the citizens, to encroaching on their right directly to administer the affairs of society.

The practical meaning of social self-government in Yugoslavia could only be appreciated through a more detailed review of the tasks dealt with by the organs of self-government. It is pertinent to recall that the organs of social self-government in no way represent a political screen behind which the administrative apparatus is able to operate the same as before or as it generally operates there where bureaucracy has the chief say. The personnel apparatus, the apparatus of administration, has been so designed that the base has been liquidated for its conversion into a force above society. In our conditions that apparatus serves the people and is accountable to its political representative bodies. The whole relationship between the organs of social self-government and the apparatus of administration, and especially between their jurisdiction, has been so established as to safeguard all this.

One must not think that the system of social management in our case negates the significance and role of the state organs. In a particular reasonable measure, in the domains of external and internal security, the tasks of establishing the social system, safeguarding

the unity of the economic domain and maintaining legality, the role of the state organs becomes highly important. The need for such a function of the state organs is more than apparent, and it collides in no way with the function of the organs of social self-government. On the contrary, the activity of the higher organs of state authority is just such that it grows out on the basis of the activity of the commune and other forms of social self-government. The Republican and Federal organs rely on and are increasingly linking themselves with the mechanism of social self-government and the commune in their activity.

The wide activity of the working masses in the various organs of self-government makes for a realistic insight into the problems, for realism in day-to-day practice. The promotion of productive forces the raising of productivity of labour, the solving of all those problems, the raising of productivity of labour, the solving of all those problems in the domain of supply and services which are connected with the raising of the standard of living primarily depend today on the initiative and activity in the commune and its various bodies as well as in other organs of social self-government. By granting considerable competencies to these organs and especially by creating the material base for their activity, such a degree of development has been reached already today that the working man feels less and less as a hired worker of the state and more and more as a free producer disposing not only of one part of his personal income, but of those resources which are spent toward the general social needs. In the coordination of his personal and the general interests the working man can see the most realistic ways of improvement of his position, he can find his place in the struggle for new relations.

Compared to the period from the Liberation until 1949, the number of citizens participating in the various organs of self-government has increased several-fold. In the period of the so-called „administrative socialism“ the citizens had directly participated in the management of social affairs through elections, assemblies of voters and in the representative bodies — the People's Committees and the People's Assemblies. Today, beside these forms of the citizens' participation in the management of social affairs, there also exists, as has already been said, a series of other forms enlisting tens of thousands of citizens. According to statistics from 1956, over 67,00 members were active in the Councils of the People's Committees alone. At the same time there were 67,410 members of Local Committees and 10,064 members of the Standing Commissions of the Councils who were active in the People's Committees of the communes. In enterprises employing 30 or more workers there were 124,560 members of Worker's Councils and over 40,230 members of Managing Boards. In the school committees 128,388 members were active, and another 15,939 members in the managing boards of health institutions. These data are strikingly illustrative of the huge number of people engaged today in the country in the performance of certain generally beneficial social functions. These functions are freely performed by them in their capacity of conscious elements of society pass through the school of socialism, being trained to understand the problems with which they come face to face and gaining in ideological and cultural elevation.

The practice to date has been productive of tremendous results, first of all in the matter of ideological unity and firmness in the resolve to build socialist relations. The free discussions and trial of opinions which have been promoted in the self-governing bodies have only still more attached the masses to the idea of socialism, lending a wider and more massive base to it. Without commanding, through the personal example of Communists primarily, the striving for socialism in our country has turned into a truly all-people movement. In this way socialism has also obtained its human expression, which it alone can have too. The personality of the citizens and their role is developing and growing, and the concept of man's freedom no longer is an abstraction. Through a creative and positive trial of opinions, and on the basis of the new production relations, fresh human relations are gradually brought about. Through the realization of such human relations practical evidence is provided today of the whole superiority of socialist relations over capitalist ones. The new relations also constitute an expression of the successful outcome of the striving for socialism to date. Lenin's principle of „the growing of government in the name of the working people into the state authority of the working people“ is being realized.

It is pertinent to emphasize that the stated forms do not even remotely exhaust the huge participation of Yugoslav citizens in the solving of the most topical current problems. Through the social and political organizations, hundreds of thousands of citizens become in one way or another an active factor of contemporary socialist development. In this way is gradually resolved the eternal problem of antagonism between the state authority of the people in a relationship which represents the synthesis of the activity of the producers, the working collective, the commune, the social and political organizations and the state organs.



Please Note

THE EDITORS OF THE „REVIEW OF INTERNATIONAL AFFAIRS“ KINDLY REQUEST OUR READERS TO SEND THEIR OBSERVATIONS, WISHES AND OBJECTIONS CONCERNING THE GENERAL CONCEPTION OF THE REVIEW, THE AMOUNT OF SPACE ALLOTTED TO THE INDIVIDUAL COLUMNS AND SUBJECTS ESPECIALLY THOSE RELATING TO THE YUGOSLAV REALITY, THE TREATMENT OF INDIVIDUAL SUBJECTS AND QUALITY OF THE ARTICLES, STYLE, LANGUAGE ETC., TO THE EDITORIAL OFFICE, BEOGRAD, JOVANOVA 16. THE EDITORS THANK THE READERS IN ADVANCE FOR THE VALUABLE ASSISTANCE THUS EXTENDED.

Communique on Nasser-Tito Talks

A COMMUNIQUE on the visit of the President of the United Arab Republic Gamal Abd-el Nasser to Yugoslavia and his talks with President Tito during his sojourn was published at Brioni on July 10.

As stated in the communiqué, the President of the United Arab Republic, Gamal Abd-el Nasser visited Yugoslavia on July 1958 as a guest of the President of the Federal People's Republic of Yugoslavia Josip Broz Tito.

President Nasser was accompanied by Foreign Minister Dr. Mahmoud Fawzi.

During his stay, President Nasser took part in the celebrations commemorating the Fifteenth Anniversary of the Battle of Sutjeska and visited several cities in the People's Republic of Croatia and Slovenia.

This visit afforded the opportunity to the two heads of state to exchange views on many problems pertaining to international policy and the relations between their two countries in an atmosphere of friendship and mutual confidence. The Vice President of the Federal Executive Council Edvard Kardelj, Foreign Minister Dr. Mahmoud Fawzi and Secretary of State for Foreign Affairs Koča Popović also took part in the talks which were held from July 6—9, 1958.

Kindred views on all problems examined were noted during the talks and it was also observed that the principles and opinions proclaimed in the Brioni Declarations of July 1956 have been confirmed in practice to coincide with the interests of both countries and are being increasingly affirmed as a contribution to the peaceful aspirations of the world at present.

In assessing international developments, it was noted that after a certain period marked by a favourable tendency towards the abatement of international tension, an opposite tendency has appeared again which is mainly due to the continuance of the armaments race and the tendency to influence and dominate other countries by interfering in their internal affairs and resorting to various forms of pressure. Such negative phenomena have been noted of late in various parts of the world, including also Indonesia and the Lebanon for example.

In this connection the two presidents reached agreement on the following:

1. On the importance of undertaking the necessary measures to end the „cold war“, the armaments race, the division of a great part of the world into two antagonistic blocs, foreign domination, interference on the part of some countries in the internal affairs of others, as well as the recourse to pressure, force and threats by any one country against another.

2. On the urgent need to suspend production of nuclear and thermonuclear weapons and stop experiments with all such weapons irrespectively whether they are held in the Sahara Desert, the Pacific or anywhere else.

3. On the need to hold a summit conference.

4. On the paramount role of the United Nations in fostering the aims of peace, security and prosperity in the world; on the rigid observance of the United Nations Charter in letter and spirit; and on the imperative need that relations between all nations in the world, big and small alike, be based on the principles of the United Nations Charter and that peaceful coexistence be established on the basis of independence, equal rights and international cooperation.

5. On the imperative need of peace for the preservation and prosperity of mankind.

The two presidents carefully examined the results yielded by cooperation between their two countries since their latest

meeting at Brioni in 1956 and noted with great satisfaction that headway has been made in all fields of the relations between their countries, thus providing a sound basis for the further promotion and strengthening of their relations and friendship.

Special attention was devoted to the implementation of concrete and efficacious measures for the purpose of developing the broadest possible and most intensive cooperation between the two countries in the political, economic and cultural sphere.

In this connection it was found that there are vast possibilities for the fruitful development of economic cooperation as well as the promotion of scientific and technical cooperation between the two countries. In order to examine these possibilities adequately, the two presidents decided that delegations of the two governments should meet at ministerial level in a few months time for the purpose of formulating and proposing the implementation of the necessary measures.

The two presidents agreed that the governments of their countries should hold intermittent consultations on problems of common interest which are significant for the consolidation of world peace and the development of international cooperation.

President Tito and President Nasser expressed the conviction that the fruitful exchange of opinion which took place between them on this occasion will also contribute to the still closer cooperation between the two countries thus also promoting the consolidation of world peace and progress.

President Gamal Abd-el Nasser invited President Josip Broz Tito to visit the United Arab Republic. President Tito accepted the invitation proffered.

Communique on Tripartite Talks

THE FOREIGN ministers of the Federal People's Republic of Yugoslavia, the United Arab Republic and the Kingdom of Greece convened at Brioni on July 8 and 9, 1958.

The three ministers, mutually respecting the specific international position of each of their countries and bearing this fact in mind, exchanged views on international problems in general and the situation in their countries.

During the talks which took place in an atmosphere of cordiality and understanding, and with the aim of devising means which could better contribute to the preservation of peace, the ministers were pleased to note that the friendly relations that exist between their countries have a stabilising effect in this part of the world and while also duly noting the significance of these relations for the consolidation of peace.

The ministers concluded their talks by examining the mutual relations of their countries and noted with satisfaction the progress achieved in the development of economic, technical and cultural relations which corresponds to the interests of their peoples and their traditional feelings of mutual friendship.

The ministers expressed the firm desire of their governments that these relations be steadily developed.

The three ministers reached the conclusion that such personal contacts are extremely beneficial and expressed the wish for another such opportunity.

*F. P. R. Y. Government issued the following statement
on July 15:*

Communique of Yugoslav Government in Connection with the Landing of U. S. Forces in the Lebanon

THE Government of the Federal People's Republic of Yugoslavia is appraising the situation created in the Near East by the landing of US troops in the Lebanon with extreme concern. This arbitrary act which was undertaken and carried out without the concurrence of the United Nations has led to an extremely tense situation in this part of the world and threatens to touch off a global international conflict. The Government of the Federal People's Republic of Yugoslavia considers that only the United Nations are competent to deliberate on disputes such as that in the Lebanon, while open armed intervention is all the more dangerous and unreasonable as the United Nations have already intervened there through Secretary General Hammarskjöld and its observer teams present.

*F. P. R. Y. Government issued the following statement
on July 18:*

Statement of the Government of the Federal Peoples Republic of Yugoslavia in Connection with the Landing of British Troops in Jordan

THE LANDING of British troops in Jordan which, like previous landing of American troops in Lebanon, has been carried out by side-stepping the United Nations organization, is appraised by the Government of the Federal People's Republic of Yugoslavia as a further sharpening of an already explosive situation. The Yugoslav Government regards as particularly dangerous the intimidated intention of the Jordanian sovereign to proclaim himself as head of the disrupted Arab Federation, whereby it is desired to legalize possible aggression against the legitimate and independent Government of the Iraqi Republic in advance.

The Yugoslav Government considers it indispensable that, by appropriate efficacious action of the United Nations, armed interference in the internal affairs of those two countries be precluded the soonest possible from developing into an aggression against Iraq. Through such an urgent action of the United Nations the world would also be freed from apprehension before the disastrous consequences of such an aggression.

*F. P. R. Y. Government issued the following statement
on recognizing the Iraq Republic on July 16:*

The Yugoslav Government Recognizes the Iraq Republic

The Yugoslav President Josip Broz Tito sent the following message to Abd-el Karim al Kassem the Prime Minister of Iraq on July 16:

„Your Excellency,

Basing its attitude on the principle that every people is entitled to determine its social system by itself and convinced that the establishment of the Iraq Republic corresponds to the desires of the Iraqi people to consolidate strengthen its independence, the Government of the Federal People's Republic of Yugoslavia has decided with pleasure to recognize the Republic of Iraq and propose the establishment of normal diplomatic relations. The Yugoslav Government is all more glad to do so, as it was formerly not possible to establish diplomatic relations between our two countries.

Informing you of the foregoing decision of the Yugoslav Government, allow me, Your Excellency to express my best wishes for the progress and prosperity of the Republic of Iraq.

I am convinced that step will mark the happy beginning of the fruitful development of our mutual relations in the interest of our peoples and world peace”.

*F. P. R. Y. Government issued the following statement
on July 18:*

It Is Indispensable To Call the General Assembly of the United Nations into Emergency Session

THE GOVERNMENT of the Federal People's Republic of Yugoslavia considers, in view of the very grave threat to peace inherent in the situation which has arisen in the Near East, that it has become indispensable to call the General Assembly of the United Nations Organization into emergency session.

Yugoslav Initiatives

In connection with the events in the Near East President Tito sent messages to statesmen of the following countries: Premier Nehru of India, Premier U Nu of Burma, President Sukarno of Indonesia, Emperor Haile Selassie of Ethiopia, Prime-minister Erlander of Sweden, and Premier Karamanlis of Greece. Upon receipt of their answers President Tito sent second message to the same statesmen.

The visits made by Yugoslav representatives in many countries to their statesmen, are also brought in connection with the Yugoslav endeavours to facilitate the elimination of the crisis in the Near East.

Our New Contributors

BUTJER VESNA, Fellow of Institute for International Policy and Economics, Publicist. Specialist on Middle Eastern affairs, published several works on the subject in various reviews and papers. Graduate of the Faculty of Economy in Beograd.

MILUTIN MILENKOVIĆ, Journalist, graduate of the Faculty of Law. Commentator of Radio Beograd, directs programme of foreign political comments „Events in the Public Eye”.

Get acquainted with Yugoslav Industry and Foreign Trade



Industrija Elektroporcelana

(ELECTRICAL PORCELAIN FACTORY)

Arandelovac

THE mining and processing of non-metals in Yugoslavia was practically not developed and in its very beginning until the end of World War II. After the Liberation of the country, and within the plan of industrial development which was centered on the basic industries, production of non-metals and metaloids gets its right significance and place. The rapid development of electric industries and electricity supply offered very favourable conditions for the rapid development of electrical porcelain manufacture. Located in the immediate vicinity of the country's richest clay fields, to the factory has been set the task to furnish all other industries with its products, and in particular to supply the electric industry and the electricity supply system of the country. Operation of the factory started on April 1-st, 1954, in a very festive way. The equipment of this most up-to-date and complete new plant for the manufacture of electrical porcelain makes it the biggest and most important factory of its kind on the Balkans. Operations started with Kiln No. I of 500 ton capacity, and in September of the same year, Kiln No. II with a capacity of 2.750 tons started production. After the two kilns were in full production, completion of the factory was continued, and it is expected that this work will be completed by the end of this year. After completion the total output of all sorts of electrical porcelain will be 6.500 tons. Under the leadership of the workers' management, following their instructions and with concerted efforts, the completion program will be finished in time, the result being a complete

change in the original set-up of the factory giving the same a new profile.

It is worth mentioning that besides the initial two kilns a third, No. III of 2.750 tons capacity of electrical porcelain has been installed, as well as two chamber-furnaces of 500 tons each, the laboratory and the test field of 730 kV have been enlarged, all this contributing to the introduction of a line of new products.

But the most important achievement of the factory will be in the field of electrical porcelains based on raw materials mined in the country and in the introduction of steatitic and cordieritic masses. The aim is the reduction of production costs and prices, meeting the demands of the home and export markets as well as elimination of all imports in all fields of application of these products.

While production up to now was based mainly on raw materials containing clay, efforts are now directed toward the manufacture of products containing mainly magnesium silicates, titanium compounds magnesium hydro-silicates, aluminium oxides and oxides with high refractory properties.

However, the way to the complete mastering of the production of these new masses is pretty long, but the factory is steadily progressing in its efforts to meet the demands of the markets. In the course of four years of consistent work the factory has completely mastered the following production program:

- 1 — overhead line insulators, up to 1 kV
- 2 — overhead line insulators for working voltages over 1 kV
- 3 — telecommunication line insulators

- 4 — insulators and insulating material for distribution equipment, transformers, electrical equipment and apparatus
- 5 — insulators and insulating materials for electric traction equipment
- 6 — products for electrical installations, appliances and apparatus for operating voltage up to 1 kV
- 7 — products for electro-thermal equipment, telecommunications, utensils, chemical and other industries
- 8 — special products of electrical ceramic materials for the radio industry, electro-thermal appliances and electric industry
- 9 — ceramic and electro-ceramic products for various industries
- 10 — execution of orders to customer's specification, for the home and export market
- 11 — all other sorts of relevant products for electro-technical applications.

With all the above products the factory is supplying the pertaining metal parts, sundry binding materials for insulators (glues, special cements etc), special equipment for mechanization, special compounds for electrical apparatus.

To customer's order special ceramic are manufactured having particular characteristic (high resistance to changes in temperature) low rate of dilatation, low dielectric losses, etc.

In the well equipped laboratory all sorts of electrical material are accepted for testing, acceptance tests of insulating materials are performed, particularly testing of electro-ceramics.

The most remarkable advances in the mastering of the production are to be found in the above groups 1, 2 and 3. In the course of the second half of 1957, particular attention has been paid to the full mastering of the manufacture of products in group 4, with the result that in 1958 insulators for distribution equipment and transformers, of the SAR, SBR, SCQ, DB, DBF, DT transformer type, became the most important products of the factory.

In group 2 the mastering of the manufacture of the production of suspension insulators model K-3 marks a remarkable achievement. Tests have demonstrated that this insulator more than meets the specifications of the JUS-standards, and is equal to the best foreign insulators of this type. Mechanical tensile strength according to

JUS-standards should be 7 tons, whereas the factory has manufactured insulators with an ultimate strength not less than 12 tons. The puncture strength of the insulators, according to JUS-standards should be 110 kV, but cap type insulators manufactured by the factory showed punctured strength in excess of 130 kV.

In order to give a better idea of the development of the Industrija Elektroporcelana — Arandelovac (Electrical Porcelain Factory — Arandelovac) in the course of the last 4 years, the following data may be of interest.

If production index for 1954 is taken

| | |
|---------------------|-----|
| to be | 100 |
| than in 1955 it was | 503 |
| in 1956 | 513 |
| and in 1957 | 804 |

The above increase in production is a result of the rapid mastering of the production processes and the introduction of new lines of products as an answer to an increasingly greater demand of the home market and the export markets as well. With workers and a technical staff totalling 850, and a very up-to-date equipment, the factory will be in a position to increase production so that next year it will be the double of the 1957 output figure.

High-quality products, the possibility to manufacture goods according to all world accepted standards, short and scrupulously observed delivery terms, have won the factory the best reputation all over the world. Within a relatively short period of time the factory was successful in meeting not only all the demands of the domestic market but also to become one of the most important exporters to the markets of the Near, Middle and Far East. In this year alone exports to East Germany, Poland and Turkey amounted to about one third of the factory's total output. Numerous enquiries from South America and India are an indication of imminent contracts and exports to these countries, increasing in this way the factory's share in exportation. One of the reasons for such a rapid affirmation of the factory on the export markets is to be found in the reasonable and attractive prices, making it possible to fight competition even of the biggest manufacturers in this field.

Taking into consideration the ever increasing tasks set to the factory, the workers' self-management organizations and the technical management of the factory are drawing up a long term plan of development and operation, the execution of which will ensure to the enterprise a successful and positive development.



BELGRADE TRACTOR AND MACHINE INDUSTRY (ITM) ON FOREIGN MARKETS

THE TRACTOR and Machine Industry (ITM) takes one of the most important places in the Beograd industrial basin. But even when compared with the whole Yugoslav machine industry, this plant occupies a conspicuous place, as the value of its production constitutes about one tenth of the gross output of all the domestic enterprises which are engaged in machine production.

CHIEF PRODUCER OF MECHANIZATION FOR AGRICULTURE

FIRST of all ITM is steadily developing in the direction of mastering the production of tractors and auxiliary agricultural machines, building and other economic activities. This is its basic production, which is carried out under the „Massey-Fergusson“ licence. Production is steadily increasing so that it will reach a capacity of 20,000 tractors annually in a few years'. Thus ITM is the chief supplier of Yugoslav agriculture with up-to-date mechanization, which ensures the achievement of high productivity in the production of food articles and industrial raw materials of agricultural origin.

SPECIALIZATION THROUGH COOPERATION IN PRODUCTION

IN ITS work ITM relies on productive large scale cooperation organized on modern lines. Many parts for tractors and other articles which this factory turns out, are supplied by thirty domestic firms, specialized for a definite product. Experience shows that such cooperation provides for better quality and lower production costs. But ITM cooperation is not confined to Yugoslavia. Close cooperation has been established with foreign firms „Massey-Fergusson“ include „Matra-Werke“ (Western Germany), „Berco“ (Italy), Wisconsin Motor Corporation“ (USA), „Nederlandische Standard Electric (Holland) and others.

EXPORTS ARE CONSIDERABLE

WITHIN the framework of its supplementary programme ITM has for a number of years, been manufacturing, a series of articles with which it makes a successful appearance on the foreign markets. These articles, grouped basically, are as follows:

- machine castings
- turning machines
- tools
- steel elements for assembly
- drainage castings and
- sanitation castings.

These products originate, for the most part, from one and the same ITM department, and this is the most important department of the works — the foundry.

CAST PARTS FOR AUTOMOBILE, SCIP AND ELECTRO-MOTORS, RECUPERATION ELEMENTS

IT WOULD lead us too far if we were to enumerate all the kinds and forms of machine castings which ITM manufactures serially or at the wish of buyers. It is customary to produce grey machine castings in the qualities Lg 12.91, Lg 14.91, Lg 18.91 and Lg 22.91. Special characteristics of castings are attained through the manufacture modified castings, aluminium alloy, manganese, chromium, molybden, as well as through the manufacture of special grey castings which are resistant even to a temperature of 100 C.

The ITM foundry is specialized in the serial manufacture of cast parts for tractors, automobiles, various motors, tools machines and other products. Today it supplies the whole of the home motor industry with the necessary castings.

We may also mention the needle-like recuperating elements and economisers which are successfully made in large quantities. The well-known iron works in Zenica, for example, buys highly refractory recuperation elements made by ITM.

MOTOR SHEARS FOR CUTTING PLATE

MOTOR shears for cutting plate belong, as an export article, to the group of lathe machines. We shall dwell briefly on this product. Technical development in the course of the last few years has contributed to making this indispensable machine a very productive and modern mechanized tool. This is confirmed by the reception accorded to these motor shears on the world market. At the Bombay Fair (India) this article gained an advantage over similar machines as regards quality and price.

Motor shears are mostly used in the metal processing industry, and are particularly suitable for use in metal furniture factories. Their basic characteristic is the so-called draw-cut which ensures straight strips of plate along the whole length. The experts are well aware of this constructive advantage.

We add the following important data. The blades of the shears have two cutting edges, and are manufactured from special steel (tempered and sharpened). The machine does not occupy much place in the workshop where it is set up. It is propelled by a 4.2 KW electro-motor which can be adapted to the voltage existing in the country of the customer.

...CLAMPING CONE, FINS AND THE REST

AMONG the tools produced by ITM the following are specially to be noted:

- clamping cones for lathes
- flying sharp-nosed fins





- universal supports
- plates for straightening
- plates for touching up.

If we wished to stress the common characteristic of all these products, then two words would suffice: precision and durability. These characteristics have been attained thanks to a careful selection of raw materials and the great care taken in manufacture of the tools.

Every year ITM delivers a large number of headstocks for lathes the use of which is universal. They are built in various dimensions. Their operation is centric and simultaneous, so that maximum speed and exactness in work is ensured. The production of several types of fins meets the requirements of all customers.

The universal support (two types: US-1 and US-2) is an auxiliary tool which provides for the carrying out such operations as are done only by special drilling and other machines. This means that the use of supports increases the operating capabilities of the lathes, so that their purchase ensures full profitability for small enterprises of the metal industry which are not equipped with special machines. This product of ITM is thus frequently in demand on the market.

The plates for straightening are made according to DIN norms (876/I, 876/II and 876/III) in various sizes.

Finally, before we come to the end of this part dealing with tools, we must point

out that ITM has always sufficient quantities in stock and a large assortment of products of this kind, so that it is in a position to deliver them promptly on demand.



EXTENSIVE PRODUCTION OF STEEL SCAFFOLDING

STEEL elements for assembly need hardly be mentioned. Today they are well known and widely used in many countries, especially where timber is scarce, as these elements are a lasting economical substitute for timber material, especially when needed for scaffolding.

During the last few years ITM has greatly increased its production of steel assembly elements and to a great extent met Yugoslav requirements, while also setting aside large quantities for export. Wide possibilities in various spheres are arousing the increasing interest of business circles.

USE OF PIPE CONSTRUCTIONS

THE ITM construction department is constantly seeking ways of expanding the use of assembly elements, making various standard objects. The following products are the most in demand on the market:

1. Assembly scaffolding in external building (type I — 280 m² and type II — 500 m². These scaffoldings are greatly used in shipbuilding as well as in the construction of bridges.
2. Scaffolding for internal works.
3. Towers for elevators.

4. Supports used in inter-floor concreting.

5. Pre-fabricated sheds and warehouses — five types.

6. Barns for maize (two types, capacity 7 and 11 wagons).

7. Projecting roofs for agricultural machines, sheds, barns etc.

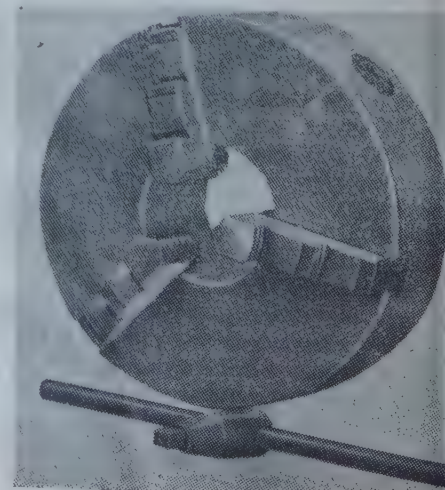
In addition to the above, ITM delivers steel assembly elements according to the specifications of purchasers, who make use of them for erecting various objects of a temporary or lasting character, such as workshops, roof structures, sports and public stands and platforms, advertising stands etc. They are also greatly used in the army where they are particularly suitable for the quick erection of various objects in the field during manoeuvres. It is interesting to note that in some countries, particularly in the tropics, these elements are successfully used for the construction of factory halls of light construction, in the construction of warehouses for the storing of cotton etc.

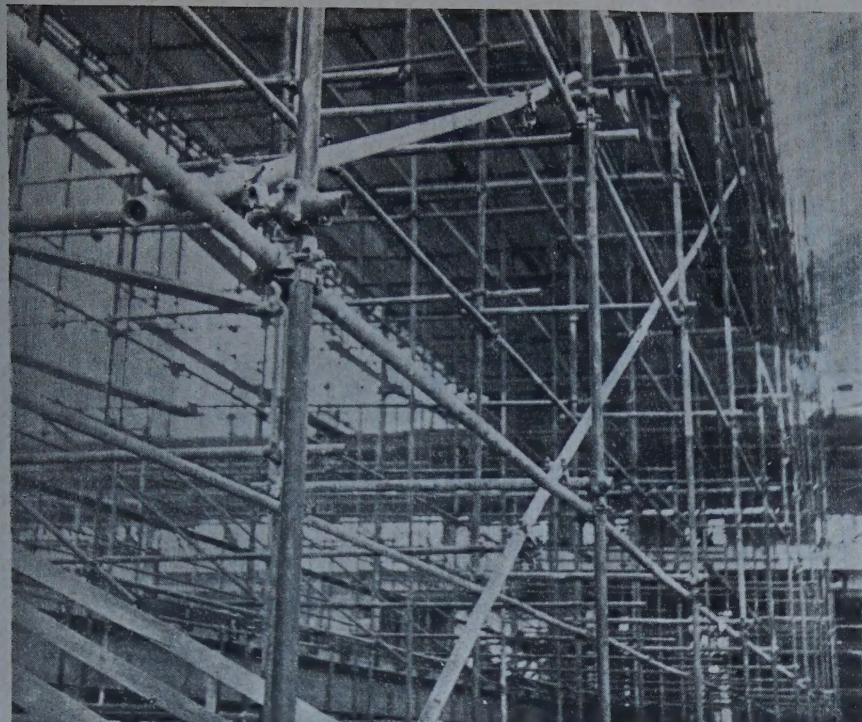
After dismantling, the pipe construction is ready for serving at some other place and for other purposes, with the minimum transport and erection expenses. The erection and dismantling is very simple and even unskilled labour can learn to handle it in a very short time. ITM undertakes erection in any part of the world according to customers' orders, accepting the obligation to train the local manpower in carrying out these works. In those countries where steel constructions have not yet penetrated, ITM has used an interesting form of propaganda, sending material and mechanical staff to foreign building enterprises for the purpose of setting up trial pipe structures for a given period of time.

MODERN PRODUCTION OF DRAINAGE PIPES

THE ITM drainage castings have long been on the foreign markets. The following are manufactured in this group of products:

- drainage pipes, 50, 70, 100, 125 and 150 mm in diameter, lengths 300, 500, 750, 1000, 1500 and 2000 mm.





Export packing safeguards goods against breakage, and this directly brings about a reduction in the insurance rates. Thanks to original packing, for instance, it has been possible to avoid, almost completely, the breakage of drainage pipes. In packing machines, special protective methods are employed, while those goods which are dispatched to the tropics are specially insulated against atmospheric influences.

FREQUENT GUEST AT INTERNATIONAL FAIRS

EVERY year the Tractor and Machine Industry takes part in a number of international fairs, at which it displays the majority of its export assortment. This year it took part in the Fairs at Leipzig, Casablanca and Poznan, and will also appear at Salonika, Damascus, Tunis and at other international fairs and this factory occupies an important place, at the great Yugoslav manifestations of this type — the Fair of Technology and Technical Achievements in Beograd and the Zagreb International Fair. The ITM exhibition staff will gladly welcome economic representatives from any part of the world who visit their stands and pavilions at these fairs, and supply them with the necessary information.

TRANSPORT WITHOUT RELOADING

OTHER ITM products will be dealt with on another occasion, and it only remains to give here a few more details of interest to those who wish to transact business with the Tractor and Machine Industry.

First of all, the above mentioned products are supplied by ITM in large quantities, and the firm always has goods in stock for prompt delivery. From the factory, which has modern transport means, including an industrial railway track, to the buyer, the factory endeavours to carry out the transport of the goods in the best possible way. A great advantage, at least as regards Mediterranean and adjacent countries, lies in the utilization of sea and river transportation which, starting from Beograd, follows the Danube route to the Black Sea and continues by sea. Thus reloading is avoided.



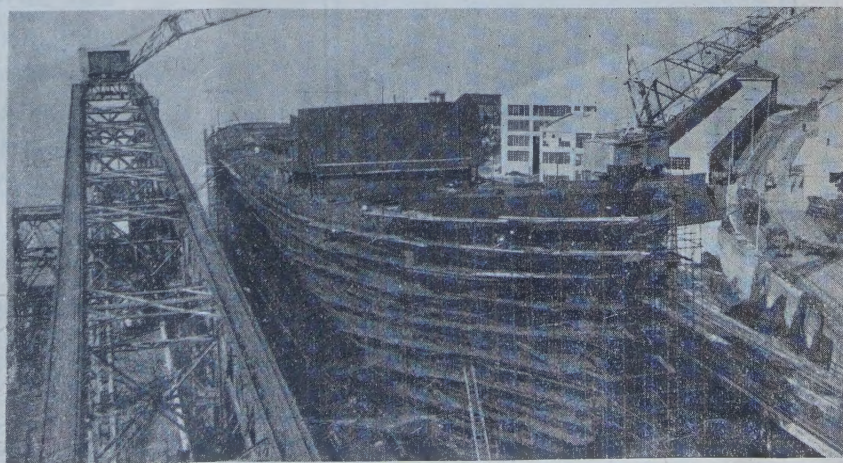
- frame parts (branches, arches, revisions, reductions and other parts) and
- drainage shafts for various purposes.

All these elements are made of cast iron (DIN 1,691), and are tarred to making them rust proof. Pipes are made on up-to-date centrifugal machines, which ensures compactness of casting as well as evenness of thickness of walls and relatively small weight, which facilitates transport and lowers prices.



Drainage castings are supplied to European countries as well as to those of other continents. Their prices, like those of other ITM products, are always more favourable than those of other suppliers, and many customers are aware of this. At Teheran (Iran) this firm succeeded in obtaining an order for drainage castings in the face of very strong competition. The quantity ordered was 1,300 tons.

We must mention the last group of products: sanitary fixtures, likewise an important export article. The most important of these products are WC reservoirs, known as „Niagara“. Their capacity is 2 and 3 gallons. These latter are much in demand in African countries, and have been constructionally adapted to the climatic conditions prevailing there.





Centrotexil

LARGEST YUGOSLAV ENTERPRISE FOR IMPORT AND
EXPORT OF TEXTILES, RAW AND PROCESSED
LEATHER AND FOOTWEAR

EXPORT - IMPORT BEOGRAD, KNEZ MIHAJLOVA 1-III

EXPORTS: All kinds of raw, printed and bleached cotton, woollen and silk fabrics, as well as fabrics made of jute, hemp and other synthetic fibres.

All kinds of knit and woven goods — stockings, sweaters, woollen and cotton blankets, carpets, jute bags, wool and hair-ropes, raw and semi-finished leather, small skins, leather fancy goods, textile and leather waste and footwear.

IMPORTS: Cotton, wool, jute, hemp and other fibres, natural, and synthetic fibres and yarns (cellulose wool, rayon, perlon, nylon), semiprocessed goods

for the textile industry, raw and semi-processed leather, textile and leather waste.

CENTROTEXTIL maintains business relations with the leading world firms.
Agents abroad:

LONDON 1, Heddon House, 149—191 Regent Street

FRANKFURT-AM-MAIN, Oberlindau 108

SYDNEY, 10 Clement Street, Rushcutter's Bay

JAKARTA, Hotel des Indes, Room 49

TEHERAN, P. O. B. 819

Agents in the country:

ZAGEB, Gajeva No. 7, phone 38-470, telex 02-102
RIJEKA, Tršćanska obala br. 8, phone 29-47, telex 02-543

LJUBLJANA, Kolodvorska br. 25, phone 32-562, telex 03-113

MARIBOR, Ulica Talcev br. 1, phone 25-30, telex 03-321

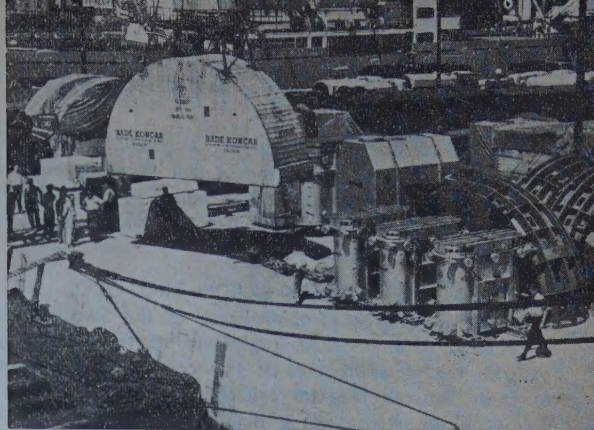
SARAJEVO, Vase Pelagića br. 1, phone 24-38

NOVI SAD, Svetozara Markovića, br. 29, phone 40-56

LESKOVAC, Bore Stankovića br. 5, phone 313

SKOPLJE, Ilindenska br. 30, phone 20-42





„Rade Končar“ Electrical Equipment Factory Zagreb

After the Second World War, starting from insignificant workshops, one of the largest electrical products factories in Yugoslavia, the „Rade Končar“ Works, has developed.

The plant includes five main departments, several auxiliary workshops, a designing and construction office, a high-voltage quality control division and a tooling workshop.

Skilled personnel is employed, being conducted by an experienced technical and other staff. The total number of workers ranges about 4,000.

The following is the Production Schedule of the „Rade Končar“ factory:

I. ROTATING MACHINES:

Annealing furnaces,
Synchronous motors,
D. c. motors.

II. TRANSFORMERS:

Power transformers,
Measuring transformers,
Phase transformers.

III. LOW-VOLTAGE APPARATUS:

Switches, circuit-breakers,
Equipment for cranes and lifts,
Electric motor and generator starting and
regulating equipment,
Fuses,
Switch-boards and equipment,
Rectifiers.

IV. HIGH-VOLTAGE APPARATUS:

Switchgear,
Switches and fuses.

V. ELECTRIC FURNACES AND HEATERS:

Annealing furnaces,
Metallurgical furnaces,
Special furnaces,
Heaters.

VI. DESIGNING AND ASSEMBLY:

Designing, erection outfitting and installation of complete electric power plants and equipment of all kinds for:

Hydro- and thermo-electric power stations, transformer and distribution stations, equipment for rolling mills, ships, pumping stations, tramcars, trolley-buses, locomotives and the like, conveyors, transporters, cranes and hoists of every description, driving installations for all types of

industry and mining.

Analysing this Production Program, one sees that the „Rade Končar“ Works — taking account also of the relevant production of the country's remaining electrical products factories — is able to supply practically any equipment which is needed for hydro- and thermo-electric power projects, as well as for transforming and transmission of electricity and for the electric products industry.

These facts have combined to create real conditions for the electrification of Yugoslavia and, more, for the successful establishment of a high reputation of the country's electric products industry abroad.

The „Rade Končar“ factory exports electric motors, transformers, low- and high-voltage apparatus to the markets of the Near, Middle- and Far-East, Belgium, Holland, Hungary, Poland, Greece and many countries of South America.

Very impressive export figures have been marked in 1957, as witness the fact that the export of serial products and those made to specification rose over three times as compared to 1956.

The same factory has supplied complete equipment for the Chikoki Mallian Hydro-electric Project in Pakistan (total value about 1,220,000 dollars U. S.), and its erection started early this year.

This delivery was made in cooperation with the Yugoslav enterprises „Litostroj“ of Ljubljana, „Jugoturbina“ of Karlovac, and „Metalna“ of Maribor.

Manufacture is in progress of equipment for the Gujranvale Hydro-electric Project in Pakistan, too, the total value of which is 1,220,000 dollars U. S.

The „Rade Končar“ participates in the electrification of India as well, having made contracts for delivery of switchgear for five thermo-electric power stations in Rajahstan and Bhopal.

For the account of CERN — the European Nuclear Energy Organization in Geneva — which is building the first protosynchrotron as part of its atomic plant, the „Rade Končar“ Works has supplied the motor of the generator and the amplidyne assembly as well as the four-pole lenses and bus-bar equipment. The prototype of these lenses had been examined by the CERN's experts at the factory, to complete satisfaction of the buyers.

A significant contract was concluded toward the end of 1957 involving delivery of 36 complete 625-KW diesel-electric generator sets to Argentina. The value of this order is 2,300,000 dollars U. S. These diesel-electric generating sets will be supplied in cooperation with the joint producers „Jugoturbina“ of Karlovac, Sulzer and General Electric.

Currently the export activity of the „Rade Končar“ Works is directed toward the establishment of stocks in bond in the United Arab Republic, Lebanon and other countries.

Today the „Rade Končar“ Works constitutes an important factor in Yugoslav economy, its participation in the country's electrification being of huge proportions. Many electric power stations — whether already built or under construction — transformer stations, mines, industrial enterprises, Agricultural Co-operatives, newly-electrified villages, all are connected with the name of „Rade Končar“.

Over 100 generators of from 125 to 42,000 KVA have been supplied. The over-all capacity of all generators supplied by this factory to date equals 1,000,000 KVA. Here are only a few of the deliveries made: to the „Mariborski Otok“ Hydro-electric Project, two generators each of 25,000 KVA; to the „Vuzenica“ Hydro-electric Project, two 24,500 KVA generators; to the „Jablanica“ Hydro-electric Project, six 30,000 KVA generators; to the „Zvornik“ Hydro-electric Project, four 30,000 KVA generators; to the „Vuhred“ Hydro-electric Project, two 22,000 KVA generators; and so on.

Negotiations and Agreements

TRADE AGREEMENT WITH MOROCCO — A new Trade Agreement between Yugoslavia and Morocco valid from July 1, 1958 to June 30, 1959 was signed in Beograd. This instrument provides for almost double the volume of trade which is valued at 2,300 million francs.

YUGOSLAV-SWEDISH TRADE PROTOCOL — Mr. Von Platten, Minister Plenipotentiary in the Swedish Ministry of Foreign Affairs visited Yugoslavia where he exchanged views with the representatives of this country on the promotion of trade between the two countries. It was agreed on that occasion to prolong the present Trade Protocol signed on July 5, 1957 in Stockholm for another one year period.

TRADE AND PAYMENTS AGREEMENT WITH TUNISIA — A Trade and Payments Agreement between Yugoslavia and Tunisia was signed in Beograd. The volume of trade between the two countries will be doubled under the terms of this instrument.

Meetings and Talks

PRESIDENT NASSER IN YUGOSLAVIA — The President of the United Arab Republic Gamal Abd-el Nasser accompanied by his closest associates visited Yugoslavia from July 1—14. President Nasser was welcomed by President Tito in Dubrovnik. During his stay in Yugoslavia President Nasser attended the grand celebrations of the fifteenth anniversary of the Battle of Sutjeska. On the way to the islands of Brioni, Presidents Nasser and Tito accompanied by their wives and suite made a short stop in Split. Political talks were opened on July 6 and were attended besides the two Presidents, also by Edvard Kardelj Vice President of the Federal Executive Council, the Minister of Foreign Affairs of the United Republic Mahmoud Fawzi and the Secretary of State for Foreign Affairs Koča Popović. Sabet Aris Ambassador of the United Arab Republic in Beograd and Josip Đerđa, Yugoslav Ambassador to Cairo also took part in the talks. A communiqué on the talks was issued on July 10. After the end of the talks Presidents Nasser and Tito visited Rovinj, Bohinj, Pokljuka, Ljubljana and Postojna.

TRIPARTITE TALKS — Mr. Evangelos Averoff the Greek Minister of Foreign Affairs arrived in Yugoslavia on July 7. A meeting of the foreign ministers of Greece, the United Arab Republic and Yugoslavia — Averoff, Fawzi and Popović — began at Brioni on the next day. The talks were also attended by the Greek Ambassador to Beograd Tsakalotos, the Ambassador of the United Arab Republic to Beograd Sabet Aris, the Yugoslav Under Secretary of State for Foreign Affairs Srđa Prica and the Yugoslav Ambassadors to Cairo and Athens Đerđa and Miljković. A communiqué on the tripartite talks was published on July 9.

Chronology

July 4 — The grandiose celebrations of the fifteenth anniversary of one of the most glorious battles of the People's Liberation War — the Battle of Sutjeska — began by the solemn opening of the Gacko-Foča road to traffic and the inauguration of the „Proletarian Brigades“ Hospital. At a formal session of the People's Committee of Foča President Tito was proclaimed honorary citizen of that town. Aleksandar Ranković President of the Federation of Liberation War Veterans held a speech marking the inauguration of the hospital. At Tjentište

the hub of the celebrations, the Secretary General of the World Veterans Federation Campegne presented President Tito with the gold badge of the Federation and Charter. On July 4, in presence of 70,000 people from all parts of the country, veterans and inhabitants of this region, President Tito received the report of Parade Commander Koča Popović that of the 19,000 fighters as Sutjeska only 7,693 are present. The Secretary of the Federal Executive Council read a Decree of the President of the Republic by which all sixteen brigades of the People's Liberation Army and the Escort Battalion are awarded the Order of National Hero. The Order of the Supreme Commander on the establishment of the „Sutjeska“ Commemorative Medal was also read on this occasion. Wreaths were laid on the Memorial—Ossuary in which the remains of 3,301 fighters were buried. Alexander Ranković, President of the Veterans Federation presented President Tito with a Charter of the Yugoslav peoples. President Tito held a speech on that occasion in which he stressed that the young generations are inspired by heroism and loyalty at Sutjeska, that the celebration is invested with a symbolical character as a protest against war, that Yugoslavia wishes to cooperate with all peoples, and that no obstacles or slanders will divert her from the course charted. The President of the United Arab Republic Gamal Abdel Nasser also delivered a speech on this occasion and declared that the sympathies and friendship between the peoples of the two countries are being steadily deepened.

Review of INTERNATIONAL AFFAIRS

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